

June 30, 2015



North Dakota State Investment Board Insurance Trust

**Investment Measurement Service
Quarterly Review**

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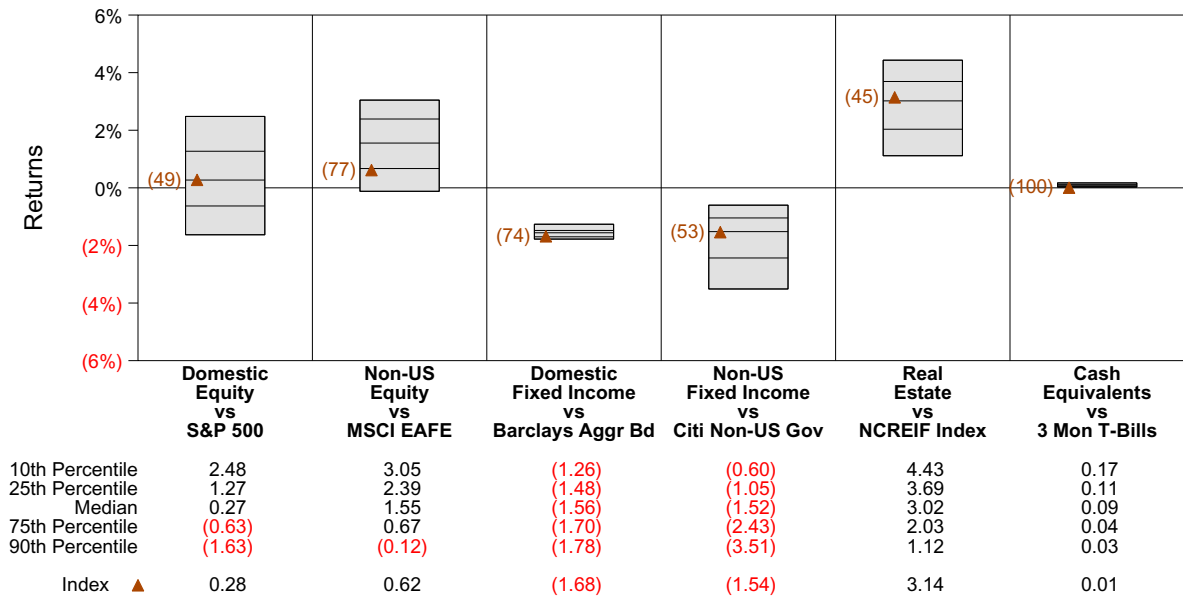
Market Overview

Active Management vs Index Returns

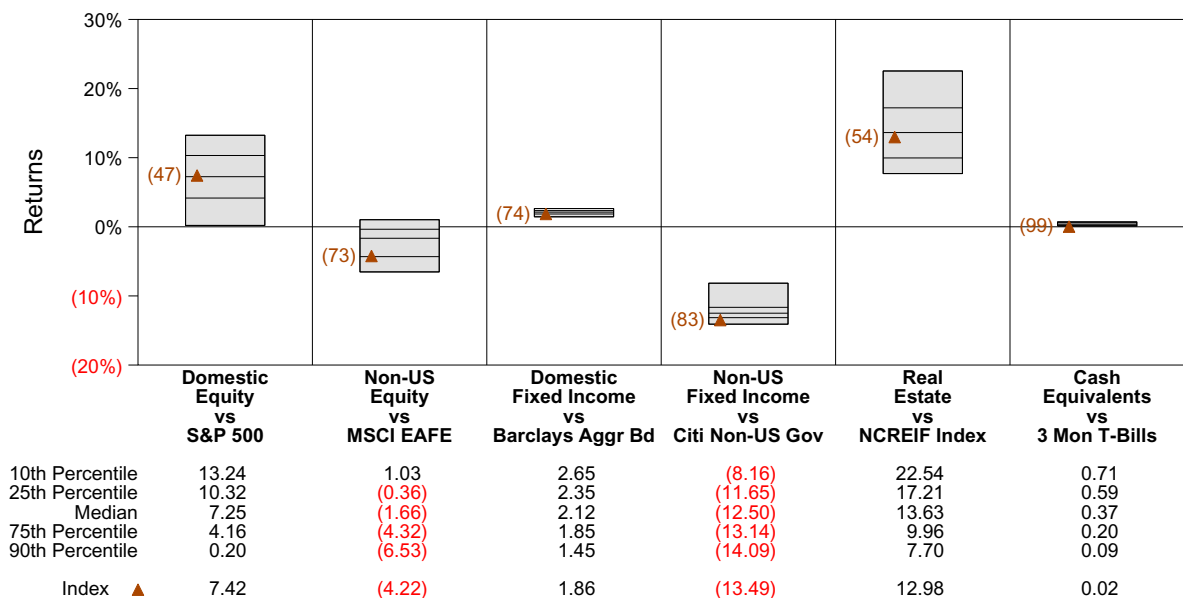
Market Overview

The charts below illustrate the range of returns across managers in Callan's Separate Account database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the domestic equity manager database.

Range of Separate Account Manager Returns by Asset Class One Quarter Ended June 30, 2015



Range of Separate Account Manager Returns by Asset Class One Year Ended June 30, 2015



Second Quarter 2015

Reversion to the Mean

U.S. ECONOMY

2 The U.S. GDP resumed momentum, posting a 2.3% increase. Credit goes to the rise in consumer spending fueled by robust gains in employment and household wealth. Inflation remains well below the Fed's 2% target.

Returns Take a Semester Abroad

FUND SPONSOR

4 In the **Callan Fund Sponsor Database**, corporate funds (-0.21%) were the quarter's worst performers while Taft-Hartley plans (+0.33%) were the best at the median. Taft-Hartley funds benefited from a smaller exposure to fixed income versus their corporate peers.

Broad Market Quarterly Returns

U.S. Equity (Russell 3000)	+0.14%
Non-U.S. Equity (MSCI ACWI ex USA)	+0.72%
Emerging Equity (MSCI Em. Mkts.)	+0.82%
U.S. Fixed (Barclays Aggregate)	-1.68%
Non-U.S. Fixed (Citi Non-U.S.)	-1.54%
Real Estate (NCREIF Property)	+3.14%
Hedge Funds (CS HFI)	-0.48%
Commodities (Bloomberg)	+4.65%
Cash (90-Day T-Bills)	+0.01%

Sources: Barclays, Citigroup, Credit Suisse Hedge Index, Merrill Lynch, MSCI, NCREIF, Russell Investment Group, S&P Dow Jones

Underwhelming

U.S. EQUITY

6 Large and small cap stocks showed slightly positive returns this quarter (**Russell 1000 Index**: +0.1% and **Russell 2000 Index**: +0.4%) while mid cap trailed considerably (**Russell Mid-Cap Index**: -1.5%). Growth maintained its lead over value in all capitalizations.

Greek Gloom

NON-U.S. EQUITY

9 Non-U.S. markets managed to end the quarter with a slight gain (**MSCI ACWI ex USA Index**: +0.72%) despite heightened concerns about Greece and China. Both the developed **MSCI World ex USA Index** (+0.48%) and the **MSCI Emerging Markets Index** (+0.82%) eked out meager returns.

Rates Move Higher

U.S. FIXED INCOME

12 The U.S. bond markets experienced a backup in interest rates as Treasuries sold off and spread sectors were mixed. The yield curve steepened. The **Barclays Aggregate Index** declined 1.68%. The **Barclays Corporate High Yield Index** was flat.

Deal or No Deal

NON-U.S. FIXED INCOME

15 The debt standoff in Greece and a bull market reversal in developed markets highlighted the sovereign bond market. The unhedged **Citi Non-U.S. World Government Bond Index (WGBI)** declined 1.54%, while the hedged WGBI plunged 3.20% due to a weakening U.S. dollar.

Mixed Messages

REAL ESTATE

17 The **NCREIF Property Index** advanced 3.14% (1.26% income return; 1.89% appreciation return). The **FTSE EPRA/NAREIT Developed REIT Index (USD)** declined 6.67% and domestic REITs tracked by the **FTSE NAREIT Equity REITs Index** dropped 9.95%.

A Seller's Market

PRIVATE EQUITY

19 Fundraising, venture investment, and IPOs for both buyout and venture leaped in the second quarter. Buyout investment was flat and M&A exit figures for both buyout and venture were mixed. High prices are muting private M&A volumes, but all other activity measures soared.

Momentum Whiplash

HEDGE FUNDS

20 The **Credit Suisse Hedge Fund Index** slipped 0.48%. The median manager in the **Callan Hedge Fund-of-Funds Database** inched ahead 0.23%. The quarter's most notable victim was Managed Futures (-10.61%).

TDFs Win Quarter, Asset Flows

DEFINED CONTRIBUTION

21 The **Callan DC Index™** gained 2.15%, trailing the typical 2035 target date fund (TDF), which rose 2.55%. DC plan balances grew by 2.76%. Nearly 66 cents of every dollar that moved within DC plans flowed to TDFs.

Reversion to the Mean

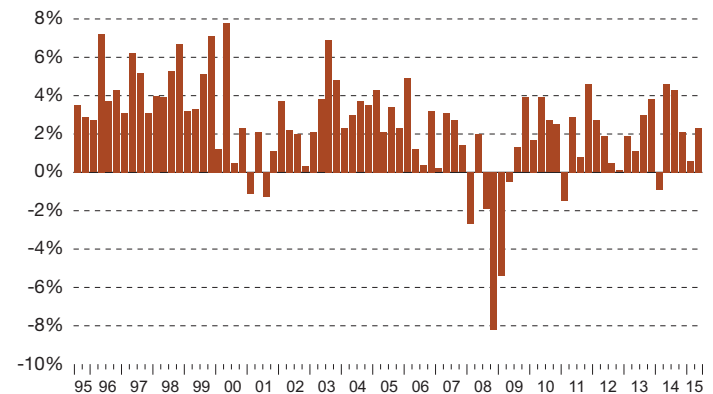
U.S. ECONOMY | Jay Kloepper

After stalling in the first part of 2015, the U.S. economic expansion resumed in the second quarter with a 2.3% increase in GDP. Real GDP growth measurement for the first quarter proved to be a bumpy ride: the initial estimate of +0.2% was revised to a 0.7% loss, then to a slighter drop of 0.2%, and the most recent announcement swung back to black, albeit a scant +0.6%. However we measure it, the weakness in the first quarter was attributed to a strong dollar hurting exports, harsh winter weather interfering with general economic activity, and a sharp decline in oil drilling due to plunging oil prices. Labor stoppages in western ports added to the troubles. The resumption in growth in the second quarter came from a rise in consumption spending, fueled by robust gains in employment and household wealth. Consumer confidence rose through much of the quarter, although the events in Greece and China in June likely sapped some of that confidence. The housing market recovery continued to take shape, prodded by the same economic news that drove consumption (jobs, household wealth, and consumer confidence). While some of the data send mixed messages, growth in the U.S. economy is reverting to its underlying 2.5%-3% long-term average rate.

The job market posted solid gains during the first half of 2015, averaging 195,000 per month in the first quarter and 221,000 per month in the second. The year-over-year gain in jobs through June reached just short of three million, the largest gain for the July-June period since 2000. The unemployment rate fell to 5.3% in June. While these data confirm that the first-quarter GDP weakness was an anomaly, the Fed remains concerned about key characteristics of the U.S. labor market. Much of the improvement in the unemployment rate has been the result of discouraged workers leaving the labor force. The labor force participation rate fell to 62.6% in June, a 38-year low. Wage growth has been positive but modest, rising 2% year-over-year through June, suggesting continued slack in the labor market despite the reported job gains.

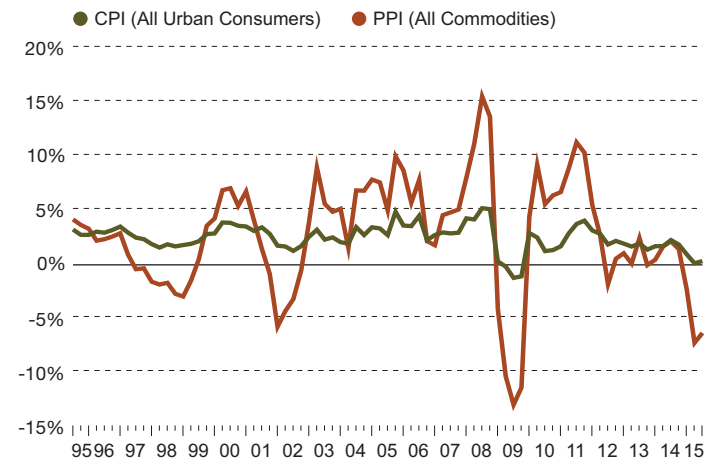
Quarterly Real GDP Growth

(20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

Inflation remains well below the Fed's 2% target. Headline CPI was flat in June compared to one year earlier due to sharply falling energy prices in the latter half of 2014. Core CPI, which excludes food and energy, was up 1.8% in June year-over-year, pushed up by health care and housing costs. The sharp drop in energy prices provided a windfall of sorts for consumers, enabling them to direct spending to other categories, such as cars and other durable goods.

Household net worth reached \$85 trillion in the first quarter of 2015, fueled by rising home prices and the strong U.S. stock market. Net worth is now 25% higher than its 2007 pre-financial-crisis peak. This improvement in net worth, combined with the solid job market gains, has led to a buoyed level of consumer confidence and resulted in broad consumer spending, strong auto sales, and perked up interest in the housing market. Home prices are rising everywhere, but at varying rates; gains have averaged 5% year-over-year over the past 12 months. Existing home sales rose 3.2% in June to a 5.49 million-unit annual rate, while new home sales are running at a 545,000-unit rate; both rates are multi-year highs, but substantially below the peaks set prior to 2007. Inventories remain tight, despite the rising prices. One factor is the existing supply of homes that remain under water relative to their mortgage; recent estimates place this inventory at five million.

Capital spending by sector was all over the map during the first half of 2015. Spending on buildings suddenly surged during the second quarter. Spending on R&D and software continues to grow at a solid rate, while spending on equipment has stalled over the past four quarters. These three sectors drove business investment spending for several years after the recession. Spending on mining and oil wells collapsed, formerly another source of recent robust investment growth. Taken as a whole, capital spending stumbled in the fourth quarter of 2014 and suffered a weaker-than-expected first half of 2015, most likely because economic growth was interrupted.

U.S. exports of goods plunged in the first quarter of 2015, sapped by the surging dollar and uncertain economic growth. However, imports continued to increase and the combined effect

The Long-Term View

	2015	Periods ended December 31, 2014			
Index	2nd Qtr	Year	5 Yrs	10 Yrs	25 Yrs
U.S. Equity					
Russell 3000	0.14	12.56	15.63	7.94	9.78
S&P 500	0.28	13.69	15.45	7.67	9.62
Russell 2000	0.42	4.89	15.55	7.77	9.75
Non-U.S. Equity					
MSCI EAFE	0.62	-4.90	5.33	4.43	4.31
MSCI Emerging Markets	0.82	-1.82	2.11	8.78	8.83
S&P Ex-U.S. Small Cap	4.61	-3.42	8.52	6.84	5.48
Fixed Income					
Barclays Aggregate	-1.68	5.97	4.45	4.71	6.49
90-Day T-Bill	0.01	0.03	0.09	1.54	3.24
Barclays Long G/C	-7.22	19.31	9.81	7.36	8.49
Citi Non-U.S. Govt	-1.54	-2.68	0.85	2.64	6.21
Real Estate					
NCREIF Property	3.14	11.82	12.13	8.38	7.61
FTSE NAREIT Equity	-9.95	30.14	16.88	8.31	11.25
Alternatives					
CS Hedge Fund	-0.48	4.13	5.88	5.82	--
Cambridge PE*	--	22.88	17.40	14.02	15.56
Bloomberg Commodity	4.66	-17.01	-5.53	-1.86	--
Gold Spot Price	-0.96	-1.51	1.55	10.45	4.38
Inflation – CPI-U	1.07	0.76	1.69	2.12	2.52

*Private equity data is time-weighted return for period ended December 31, 2014.

Sources: Barclays, Bloomberg, Citigroup, Credit Suisse, FTSE, MSCI, NCREIF, Russell Investment Group, Standard & Poor's, Thomson/Cambridge.

of net exports (exports minus imports) subtracted 1.9% from GDP growth. Exports rebounded in the second quarter, as the impact of the dollar's surge stabilized and a modest recovery took hold in the euro zone. Exports rose by 5.3% and import growth slipped from 7.1% in the first quarter to 3.5% in the second; as a result, net exports no longer dragged on GDP growth.

Recent Quarterly Indicators

Economic Indicators	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13
Employment Cost–Total Compensation Growth	2.0%	2.6%	2.2%	2.2%	2.0%	1.8%	2.0%	1.9%
Nonfarm Business–Productivity Growth	1.0%*	-3.1%	-2.1%	3.9%	2.9%	-4.7%	3.0%	3.4%
GDP Growth	2.3%	0.6%	2.1%	4.3%	4.6%	-0.9%	3.8%	3.0%
Manufacturing Capacity Utilization	77.2%	77.3%	77.8%	77.5%	77.1%	76.2%	76.4%	76.0%
Consumer Sentiment Index (1966=100)	94.2	95.5	89.8	83.0	82.8	80.9	76.9	81.6

*Estimate

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve, IHS Economics, Reuters/University of Michigan

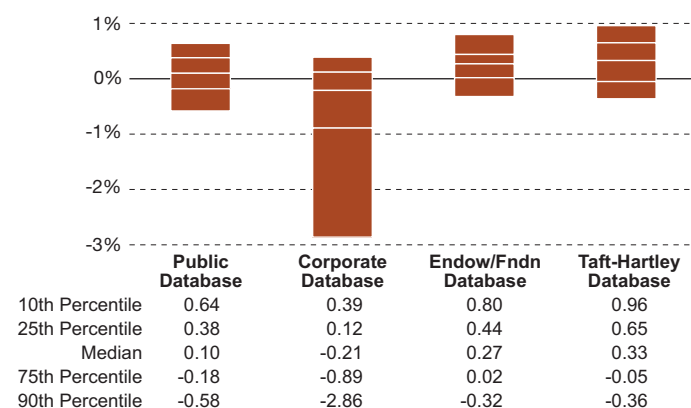
Returns Take a Semester Abroad

FUND SPONSOR | Kevin Nagy

Public markets experienced an up-and-down quarter, with equity indices exhibiting slight gains while fixed income was in the red. Non-U.S. equity markets (**MSCI ACWI ex USA Index**: +0.72%) were able to overcome uncertainty in Greece and a large sell-off in China to beat U.S. equity (**Russell 3000 Index**: +0.14%) for the second straight quarter. Both U.S. and non-U.S. fixed income markets suffered losses (**Barclays Aggregate**: -1.68%, **Citi Non-U.S. World Government Bond Index-Unhedged**: -1.54%).

As seen in the Callan Fund Sponsor Quarterly Returns chart, performance was tepid at best. Corporate funds were the worst performers across all percentiles shown, while Taft-Hartley plans (+0.33%) were the best at the median. The 10th percentile's performance displayed moderate dispersion, with Taft-Hartley plans (+0.96%) coming in first place and endowments/foundations (+0.80%) second. Dispersion in the bottom decile was highest, with endowments/foundations (-0.32%) in the lead and corporate plans (-2.86%) bringing up the rear.

Callan Fund Sponsor Quarterly Returns



Source: Callan

In terms of asset allocation and its impact on performance, Taft-Hartley funds benefited from a smaller exposure to fixed income when compared to their corporate peers. They were also helped by a strong performance from private real estate (**NCREIF Property Index**: +3.14%). Corporate funds were hurt by larger allocations to U.S. fixed income than the other fund

Database Median and Index Returns* for Periods ended June 30, 2015

Fund Sponsor	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Public Database	0.10	2.43	3.20	10.30	10.41	6.57
Corporate Database	-0.21	2.15	2.94	9.72	10.57	6.79
Endowments/Foundations Database	0.27	2.56	2.34	10.03	9.89	6.53
Taft-Hartley Database	0.33	2.64	4.10	10.74	10.81	6.28
Diversified Manager	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Asset Allocator Style	-0.25	1.46	3.89	9.98	10.51	6.77
U.S. Balanced Database	-0.19	2.00	2.76	11.30	11.55	6.65
Global Balanced Database	-0.89	1.44	-0.06	8.00	8.88	6.58
60% Russell 3000 + 40% Barclays Agg	-0.59	1.12	5.10	11.23	11.98	7.08
60% MSCI World + 40% Barclays Gbl Agg	-0.29	0.33	-2.04	8.04	8.72	5.50

*Returns less than one year are not annualized.

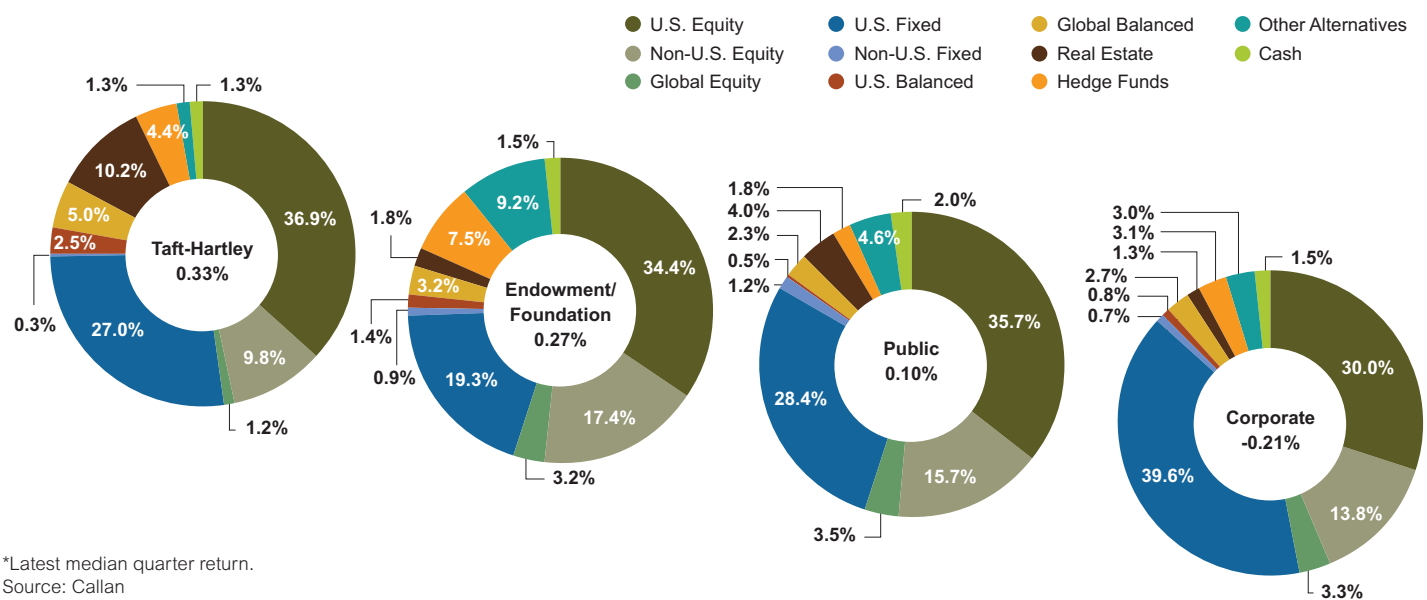
Sources: Callan, Barclays, MSCI, Russell Investment Group

types. As in the first quarter, corporate funds had the widest dispersion between top and bottom percentiles, due to some plans employing liability-driven investment (LDI) programs.

Taft-Hartley funds were the top performers in all noted time periods except for the 10-year period, which went to corporate funds. All fund types for that long-term time period displayed very similar performance in the 6% to 7% range.

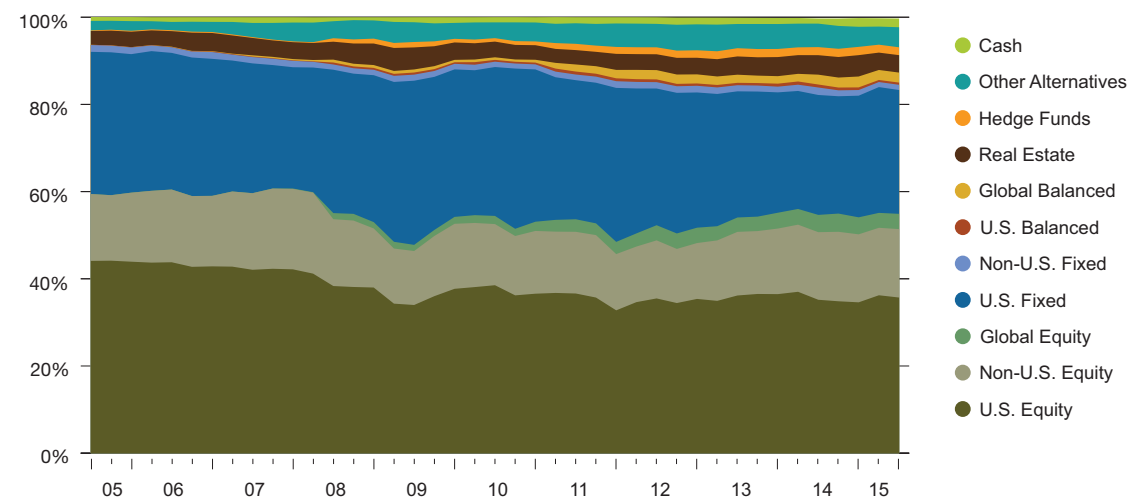
Despite trailing in the most recent quarter, the U.S.-focused 60% Russell 3000 + 40% Barclays Aggregate (-0.59%) has outperformed the global 60% MSCI World + 40% Barclays Global Aggregate benchmark (-0.29%) for every other time period. Callan's U.S. Balanced Database group has also outperformed the Global Balanced Database group in every period shown.

Callan Fund Sponsor Average Asset Allocation



Callan Public Fund Database Average Asset Allocation

(10 Years)



Underwhelming

U.S. EQUITY | Lauren Mathias, CFA

The second quarter got off to a promising start through April and May. In June, however, the **S&P 500 Index** dropped almost 2%, reducing U.S. equity results for the three-month period to 0.28%. Before declining, market indices reached new peaks—most notably the NASDAQ Composite surpassed the all-time high it previously set in March 2000.

Despite underwhelming equity results, the U.S. economy does have some tailwinds. June's unemployment rate declined to 5.3%, housing improved as more Americans took out mortgages, and consumer confidence ticked higher. However, the Fed's concerns about economic growth persisted, further delaying a potential increase in interest rates. Underlying U.S. fundamentals appear solid, with corporate profit margins near highs and leverage well below historical averages. This is reflected in valuations with current P/E ratios across market capitalizations above 20-year averages.

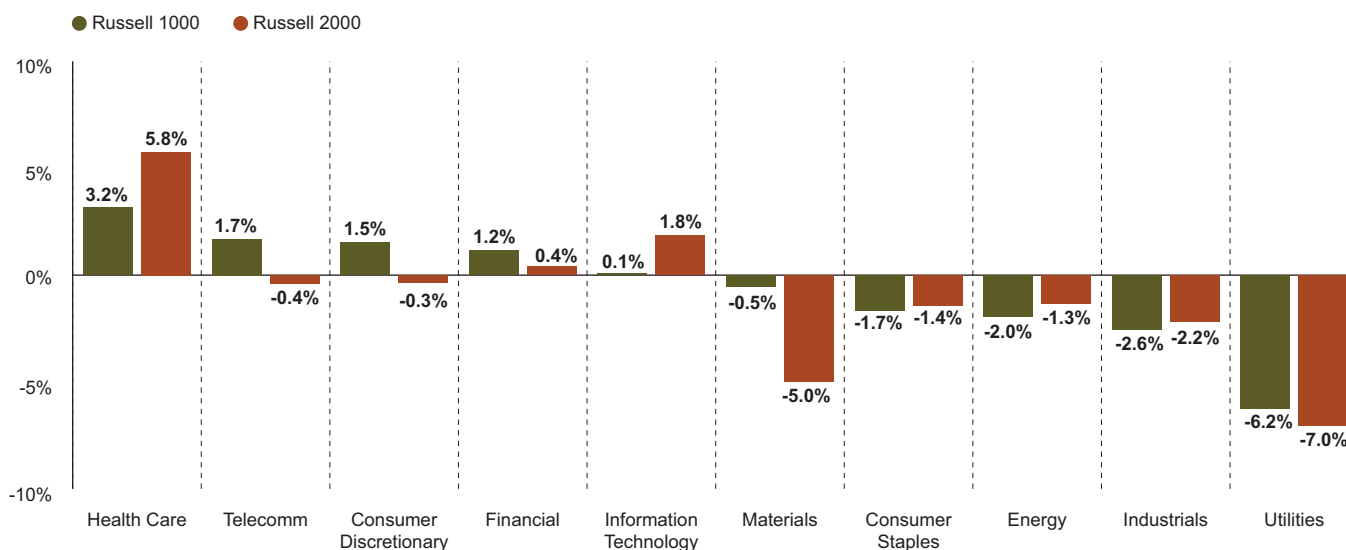
Large and small cap stocks showed slightly positive returns this quarter (**Russell 1000 Index**: +0.1% and **Russell 2000 Index**: +0.4%) while mid cap trailed considerably (**Russell Mid-Cap**

Index: -1.5%). Growth maintained its lead over value in all capitalizations, but most dramatically in small cap (**Russell 2000 Growth Index**: +2.0% and **Russell 2000 Value Index**: -1.2%). Small cap growth continued to beat small cap value in all annualized time periods of less than 10 years. Micro caps and mega caps both advanced (**Russell Microcap Index**: +2.8% and **Russell Top 50**: +1.5%).

Sectors exhibited divergent quarterly results across market capitalizations. Small cap Materials declined sharply versus a slight dip in large cap. Health Care boosted both large and small market caps but was much stronger in small cap. Utilities were the worst-performing sector across capitalizations as interest-rate-sensitive securities declined. On a positive note, M&A activity remained strong, with deal flow increasing across most sectors.

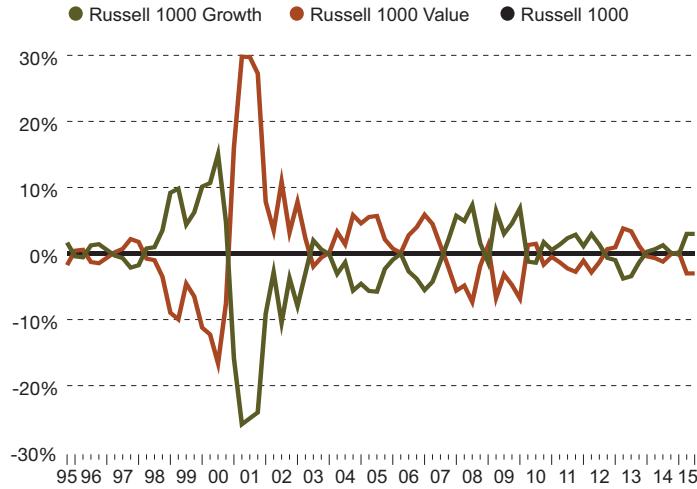
Notably, active management is having the most successful year since the financial crisis; almost half of active large cap managers have outperformed in 2015 thus far. This contrasts with assets that continue to flow to passive strategies, which have grown to be one-third of U.S. equity AUM.

Economic Sector Quarterly Performance

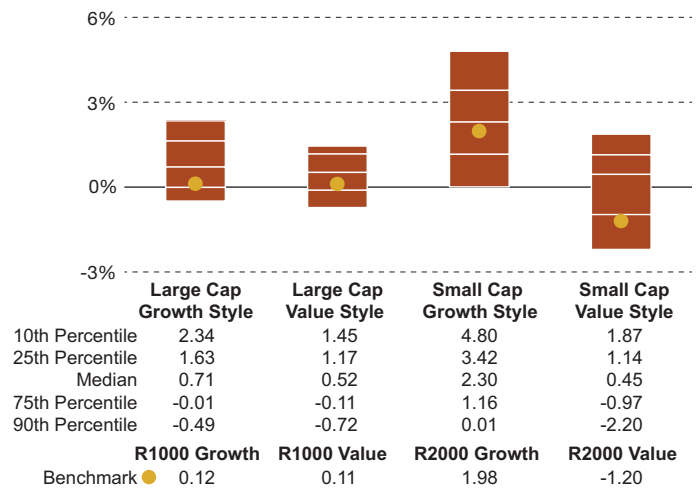


Source: Russell Investment Group

Rolling One-Year Relative Returns (vs. Russell 1000)



Callan Style Group Quarterly Returns



U.S. Equity Index Characteristics as of June 30, 2015

	S&P 500	Rus 3000	Rus 1000	Rus Midcap	Rus 2500	Rus 2000
Cap Range Min (\$mm)	1,735	24	354	354	24	24
Cap Range Max (\$bn)	722.58	722.58	722.58	28.09	10.80	4.70
Number of Issues	502	3,004	1,029	829	2,494	1,975
% of Russell 3000	80%	100%	92%	28%	19%	8%
Wtd Avg Mkt Cap (\$bn)	127.97	103.44	112.50	12.16	4.06	1.89
Price/Book Ratio	2.7	2.6	2.7	2.5	2.2	2.1
Forward P/E Ratio	16.4	17.2	16.9	19.0	19.8	20.9
Dividend Yield	2.1%	1.9%	2.0%	1.6%	1.4%	1.3%
5-Yr Earnings (forecasted)	10.3%	11.2%	11.1%	12.9%	13.0%	13.5%

Sources: Russell Investment Group, Standard & Poor's

U.S. EQUITY (Continued)

Style Median and Index Returns* for Periods ended June 30, 2015

Large Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Large Cap Core Style	0.42	1.82	8.00	18.21	17.89	8.39
Large Cap Growth Style	0.71	4.57	11.86	18.87	18.54	9.37
Large Cap Value Style	0.52	0.86	5.23	18.26	17.08	7.69
Aggressive Growth Style	1.49	6.77	10.44	17.74	17.31	9.83
Contrarian Style	0.40	0.65	5.46	17.91	16.74	7.94
Yield-Oriented Style	-0.15	0.02	4.25	15.70	15.99	8.28
Russell 3000	0.14	1.94	7.29	17.73	17.54	8.15
Russell 1000	0.11	1.71	7.37	17.73	17.58	8.13
Russell 1000 Growth	0.12	3.96	10.56	17.99	18.59	9.10
Russell 1000 Value	0.11	-0.61	4.13	17.34	16.50	7.05
S&P Composite 1500	0.17	1.57	7.31	17.41	17.39	8.08
S&P 500	0.28	1.23	7.42	17.31	17.34	7.89
NYSE	-0.20	0.94	0.79	14.49	15.46	7.67
Dow Jones Industrials	-0.29	0.03	7.21	13.77	15.41	8.32
Mid Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Mid Cap Core Style	-1.08	4.51	7.73	21.22	19.70	10.21
Mid Cap Growth Style	0.57	6.52	10.75	18.44	18.36	10.48
Mid Cap Value Style	-1.45	1.76	4.46	19.31	17.63	9.77
Russell Midcap	-1.54	2.35	6.63	19.26	18.23	9.40
S&P MidCap 400	-1.06	4.20	6.40	18.60	17.82	9.74
Small Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Small Cap Core Style	0.55	5.53	7.98	20.57	19.28	9.55
Small Cap Growth Style	2.30	8.37	11.25	19.92	19.56	10.35
Small Cap Value Style	0.45	3.09	4.44	18.61	17.48	8.99
Russell 2000	0.42	4.75	6.49	17.81	17.08	8.40
S&P SmallCap 600	0.19	4.16	6.72	18.81	18.44	9.27
NASDAQ	2.03	5.90	14.44	20.94	20.26	10.42
Smid Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Smid Cap Broad Style	0.58	7.08	8.81	19.15	18.93	10.06
Smid Cap Growth Style	1.82	8.64	10.75	19.12	19.75	10.14
Smid Cap Value Style	-0.66	2.77	4.88	19.11	17.63	9.90
Russell 2500	-0.34	4.81	5.92	18.66	17.85	9.09
S&P 1000	-0.68	4.20	6.51	18.68	18.02	9.58
Russell 3000 Sectors	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Consumer Discretionary	1.36	6.10	14.73	22.99	23.12	9.98
Consumer Staples	-1.65	-0.42	9.54	14.64	17.00	10.82
Energy	-1.94	-4.13	-24.31	5.19	10.03	6.42
Financials	1.08	0.40	9.09	19.28	14.17	1.40
Health Care	3.38	11.45	26.47	28.19	24.58	12.03
Industrials	-2.53	-2.14	1.70	17.95	17.40	8.58
Information Technology	0.20	1.88	11.20	16.89	17.65	9.88
Materials	-0.97	0.03	-2.31	13.20	14.59	9.38
Telecommunications	1.63	3.56	1.69	7.56	14.16	7.32
Utilities	-6.31	-10.58	-3.88	8.54	12.65	7.02

*Returns less than one year are not annualized.

Sources: Callan, Dow Jones & Company, Russell Investment Group, Standard & Poor's, The NASDAQ Stock Market

Greek Gloom

NON-U.S. EQUITY | Irina Sushch

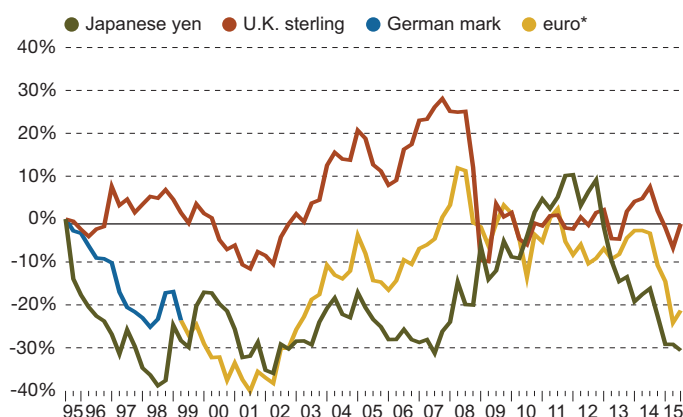
Non-U.S. markets managed to eke out a slightly positive return (**MSCI ACWI ex USA Index**: +0.72%) despite heightened concerns about Greece and China. Even with a “Grexit” looming, China threatened to steal the spotlight—its Shanghai Composite Index dropped nearly 20% in the final weeks of the quarter. Before nosediving, the Index was at a seven-year high and up roughly 150% from year-end 2013.

Both the developed **MSCI World ex USA Index** (+0.48%) and the **MSCI Emerging Markets Index** (+0.82%) delivered meager returns. Small cap stocks continued to climb amid the macro chaos (**MSCI ACWI ex USA Small Cap Index**: +4.22%). In international sectors, Energy (+2.59%) was boosted by rising oil prices. Telecommunications (+3.58%) gained on significant M&A activity. Information Technology (-2.56%) was the weakest sector, dragged down by low earnings in the first quarter. Global uncertainty, stunted earnings, and rising rates undermined the remaining non-U.S. sectors.

European stocks failed to impress (**MSCI Europe Index**: +0.36%). Greece continued to dampen investors’ spirits, ending the quarter with a missed €1.55 billion payment to the International Monetary Fund. Germany slipped 5.59%, red across every sector due to slowing GDP growth. Health Care was a big detractor (European Health Care: -1.19%). Information Technology (-2.44%) and Industrials (-1.60%) stocks struggled.

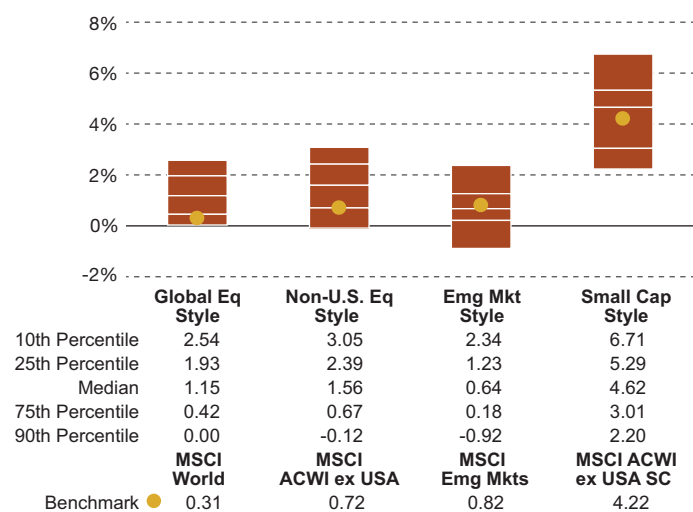
The **MSCI Pacific Index** (+1.14%) surpassed Europe by 78 bps, owing mainly to upbeat markets in Hong Kong (+5.56%) and Japan (+3.09%). Hong Kong experienced a flood of investment from China. Japan’s GDP grew at an annualized 3.9% in the first quarter of 2015, and Japanese Financials were up 9.36% as banks benefitted from aggressive central bank policies. New Zealand (-13.08%) and Australia (-6.19%) fell deep into the red as their major exports (dairy and metals,

Major Currencies’ Cumulative Returns (vs. U.S. Dollar)



*euro returns from 1Q99
Source: MSCI

Callan Style Group Quarterly Returns



Sources: Callan, MSCI

respectively), were heavily affected by the mounting crisis in China’s stock market. So far in 2015, the kiwi has fallen 13.3% against the U.S. dollar. Financials in Australia (-7.79%) were hammered by sluggish growth in the second quarter.

NON-U.S. EQUITY (Continued)

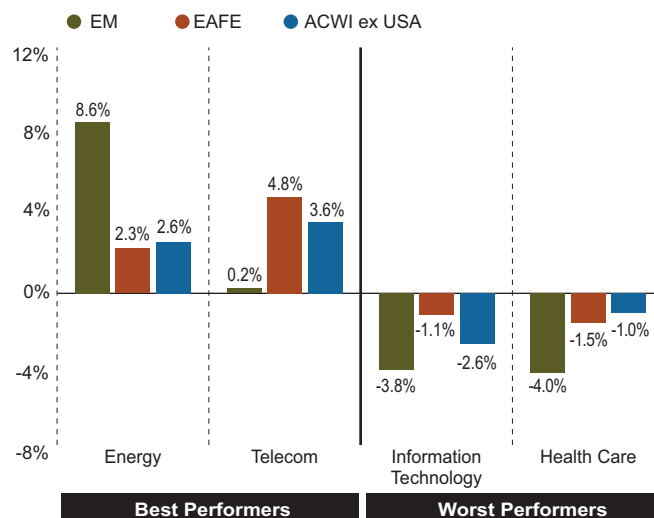
Although emerging market Energy stocks rose 8.62% due to climbing oil prices, the **MSCI Emerging Markets Index** (+0.82%) was hindered by Information Technology (-3.84%). **MSCI Emerging Markets Asia** (-0.04%) was chock full of negative stories. Indonesia (-13.82%), Malaysia (-7.88%), and Thailand (-3.30%) all experienced lethargic economic growth. Tech stocks impeded equity markets in South Korea and Taiwan. In India, subsiding growth along with lower-than-expected IT sales made for a weak quarter (-3.61%). China managed to gain 6.21% due to even lower interest rates and less restrictive real estate policies. However, China's markets were volatile throughout the quarter and crashed in the final two weeks. Russia (+7.70%) and Brazil (+7.02%) were bright spots, both buoyed by climbing commodity prices. Brazil's government is promising budget cuts, and Russia further cut interest rates to 11.5%. In Greece, equities gained 5.35% for the quarter in spite of the ongoing debt crisis, which damaged returns across the globe.

Quarterly Return Attribution for EAFE (U.S. Dollar)

Country	Total	Local	Currency	Wtg
Australia	-6.19%	-6.75%	0.61%	6.87%
Austria	3.18%	-0.54%	3.74%	0.17%
Belgium	1.04%	-2.60%	3.74%	1.30%
Denmark	2.36%	-1.48%	3.89%	1.66%
Finland	-3.89%	-7.36%	3.74%	0.82%
France	0.31%	-3.31%	3.74%	9.69%
Germany	-5.59%	-8.99%	3.74%	8.89%
Hong Kong	5.56%	5.56%	0.01%	3.25%
Ireland	8.52%	4.60%	3.74%	0.37%
Israel	-1.50%	-6.57%	5.42%	0.60%
Italy	2.49%	-1.21%	3.74%	2.41%
Japan	3.09%	5.19%	-1.99%	22.88%
Netherlands	2.81%	-0.90%	3.74%	2.77%
New Zealand	-13.08%	-3.62%	-9.81%	0.13%
Norway	3.31%	0.86%	2.44%	0.64%
Portugal	2.00%	-1.68%	3.74%	0.15%
Singapore	-0.06%	-1.86%	1.87%	1.43%
Spain	-2.05%	-5.58%	3.74%	3.51%
Sweden	-2.95%	-6.63%	3.94%	2.93%
Switzerland	1.01%	-2.82%	3.93%	9.23%
U.K.	2.99%	-2.79%	5.94%	20.29%

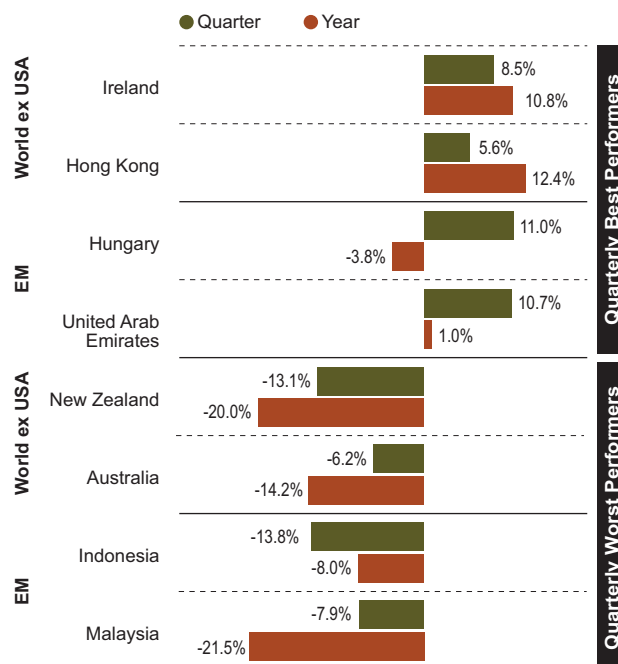
Sources: MSCI, Russell Investment Group, Standard & Poor's.

Quarterly Returns: Strong and Struggling Sectors



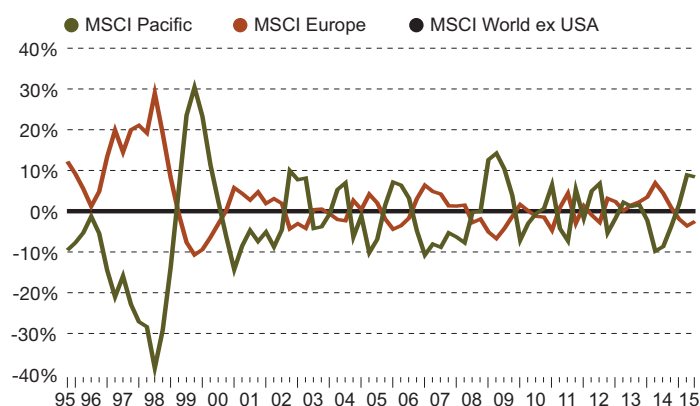
Source: MSCI

Quarterly and Annual Country Performance Snapshot



Source: MSCI

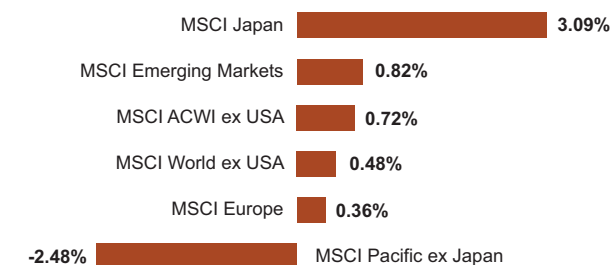
Rolling One-year Relative Returns (vs. MSCI World ex USA)



Source: MSCI

Regional Quarterly Performance

(U.S. Dollar)



Source: MSCI

Style Median and Index Returns* for Periods ended June 30, 2015

Non-U.S. Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Non-U.S. Equity Style	1.56	6.63	-1.66	12.62	10.47	6.45
MSCI EAFE	0.62	5.52	-4.22	11.97	9.54	5.12
MSCI EAFE (local)	-1.82	8.82	11.78	18.08	11.27	5.41
MSCI ACWI ex USA	0.72	4.35	-4.85	9.92	8.23	6.01
MSCI ACWI ex USA Growth	0.74	5.67	-1.70	10.54	8.84	6.37
MSCI ACWI ex USA Value	0.71	2.97	-7.98	9.25	7.58	5.91
Global Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Global Equity Style	1.15	4.24	3.60	15.39	13.79	7.63
MSCI World	0.31	2.63	1.43	14.27	13.10	6.38
MSCI World (local)	-0.69	4.14	8.41	17.01	13.79	6.36
MSCI ACWI	0.52	2.97	1.23	13.61	12.52	6.96
Regional Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
MSCI Europe	0.36	3.82	-7.65	12.37	10.02	5.03
MSCI Europe (local)	-3.91	7.25	6.99	15.16	10.37	5.49
MSCI Japan	3.09	13.62	8.31	13.30	8.80	4.23
MSCI Japan (local)	5.19	15.96	30.83	30.66	16.09	5.27
MSCI Pacific ex Japan	-2.48	0.58	-6.79	7.53	8.70	7.94
MSCI Pacific ex Japan (local)	-2.99	4.75	6.96	14.39	9.59	7.45
Emerging/Frontier Markets	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Emerging Market Style	0.64	2.35	-5.34	4.86	4.67	8.97
MSCI Emerging Markets	0.82	3.12	-4.77	4.08	4.03	8.46
MSCI Emerging Markets (local)	0.82	5.80	6.63	9.01	7.30	10.06
MSCI Frontier Markets	-0.05	-3.15	-13.93	12.96	7.29	0.42
Non-U.S. Small Cap Equity	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Non-U.S. Small Cap Style	4.62	10.78	0.38	17.42	14.21	9.08
MSCI World ex USA Small Cap	4.16	8.36	-3.96	13.60	11.10	6.30
MSCI ACWI ex USA Small Cap	4.22	8.32	-3.07	12.32	9.72	7.38
MSCI Emerging Market Small Cap	4.50	8.25	0.34	7.98	5.04	10.10

*Returns less than one year are not annualized.

Sources: Callan, MSCI

Rates Move Higher

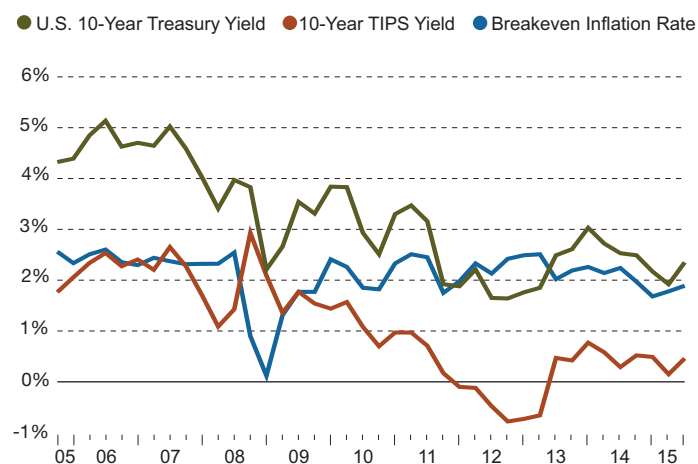
U.S. FIXED INCOME | Kevin Machiz, CFA, FRM

Interest rates moved higher in the second quarter given upward pressure from global interest rates as deflationary fears showed signs of relenting. The yield curve steepened after five consecutive quarters of flattening. The **Barclays Aggregate Index** fell 1.68%.

Short-term rates remained stable, as the Fed continued to peg the federal funds and discount rates at 0.00%–0.25% and 0.75%, respectively. The 10-year U.S. Treasury yield rose 43 bps. Yields on longer-term bonds increased even more (30-year U.S. Treasury yield: +59 bps).

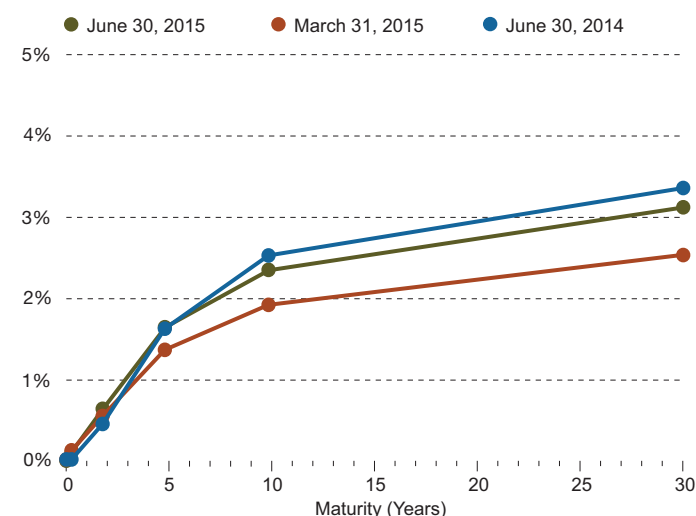
The market's expectation for the first hike in the fed funds rate settled around the end of 2015. The breakeven inflation rate (the difference between nominal and real yields) on the 10-year Treasury increased 12 bps to 1.89% as TIPS outperformed nominal Treasuries.

Historical 10-Year Yields



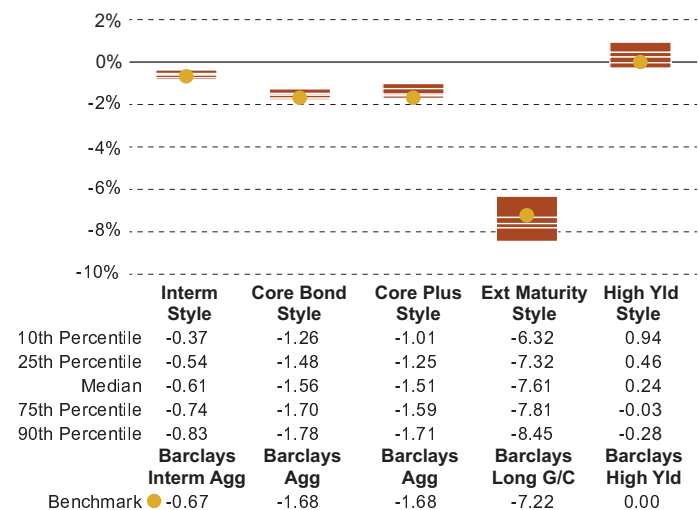
Source: Bloomberg

U.S. Treasury Yield Curves



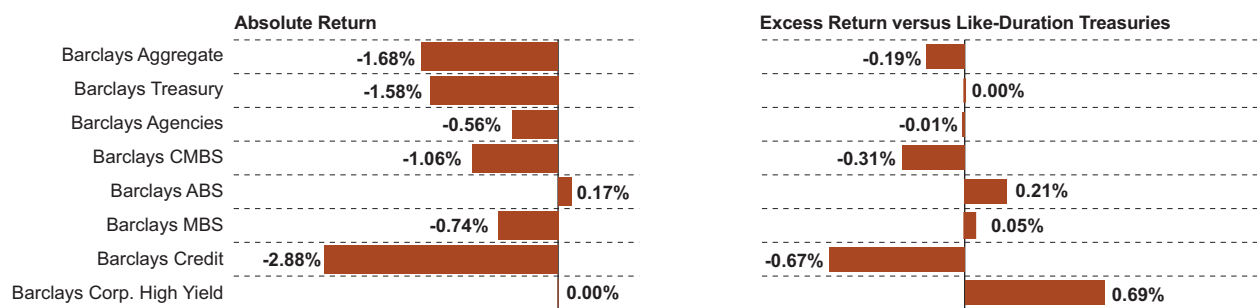
Source: Bloomberg

Callan Style Group Quarterly Returns



Sources: Barclays, Callan

Fixed Income Index Quarterly Returns

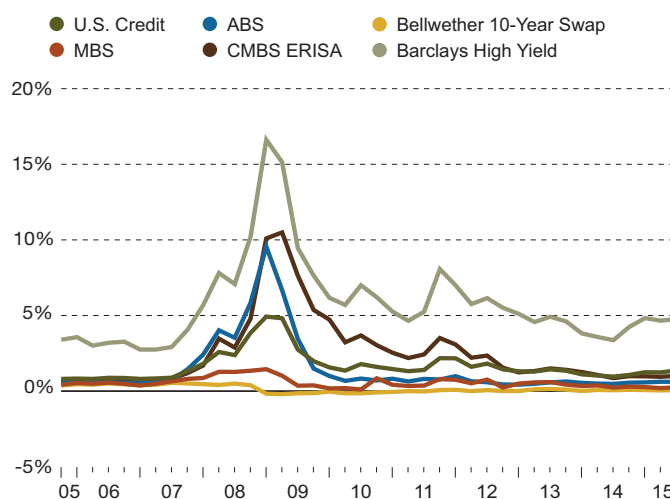


Source: Barclays

Relative to like-duration Treasuries, non-Treasury sectors saw scant gains (MBS: +0.05%; ABS: +0.21%) or negative results. Investment-grade corporate spreads widened with Utilities, Financials, and Industrials underperforming Treasuries by 1.41%, 0.61%, and 0.94% respectively.

High yield corporate bonds were among the best performers in the U.S. fixed income market as some energy companies rebounded strongly. The **Barclays Corporate High Yield Index** ended the quarter unchanged. New issue activity is on pace with the previous three calendar years. Year-to-date, there was approximately \$191 billion in new issuance of high yield bonds.

Effective Yield Over Treasuries



Source: Barclays

U.S. Fixed Income Index Characteristics as of June 30, 2015

Barclays Indices	Yield to Worst	Mod Adj Duration	Avg Maturity	% of Barclays G/C	% of Barclays Agg
Barclays Aggregate	2.39	5.63	7.87		100.00%
Barclays Govt/Credit	2.24	6.09	8.33	100.00%	69.31%
Intermediate	1.74	3.94	4.28	79.77%	55.29%
Long-Term	4.20	14.58	24.32	20.23%	14.02%
Barclays Govt	1.47	5.44	6.68	56.76%	39.34%
Barclays Credit	3.25	6.95	10.51	43.24%	29.97%
Barclays MBS	2.78	4.61	7.06		28.11%
Barclays ABS	1.45	2.46	2.63		0.58%
Barclays CMBS	2.49	4.61	5.14		1.94%
Barclays Corp High Yield	6.57	4.36	6.41		

Source: Barclays

U.S. FIXED INCOME (Continued)

Style Median and Index Returns* for Periods ended June 30, 2015

Broad Fixed Income	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Core Bond Style	-1.56	0.14	2.12	2.46	3.97	4.94
Core Bond Plus Style	-1.51	0.37	1.92	3.23	4.97	5.42
Barclays Aggregate	-1.68	-0.10	1.86	1.83	3.35	4.44
Barclays Govt/Credit	-2.10	-0.30	1.69	1.76	3.52	4.38
Barclays Govt	-1.50	0.08	2.27	0.93	2.63	3.99
Barclays Credit	-2.88	-0.78	0.93	3.03	4.93	5.12
Citi Broad Investment Grade	-1.66	-0.06	1.87	1.83	3.31	4.53
Long-Term	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Extended Maturity Style	-7.61	-4.59	1.59	3.06	7.20	6.56
Barclays Long Govt/Credit	-7.22	-4.11	2.32	2.61	6.79	6.18
Barclays Long Govt	-8.10	-4.52	6.20	1.25	6.23	6.12
Barclays Long Credit	-7.26	-4.42	-0.37	3.44	7.04	6.02
Citi Pension Discount Curve	-11.07	-6.78	2.36	2.72	8.74	6.93
Intermediate-Term	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Intermediate Style	-0.61	0.79	1.70	1.96	3.09	4.54
Barclays Intermediate Aggregate	-0.67	0.64	1.89	1.74	2.89	4.22
Barclays Intermediate Govt/Credit	-0.62	0.82	1.68	1.60	2.79	4.02
Barclays Intermediate Govt	-0.43	0.82	1.79	0.90	2.06	3.67
Barclays Intermediate Credit	-0.94	0.82	1.51	2.88	4.19	4.80
Short-Term	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Defensive Style	0.11	0.76	1.08	1.09	1.50	3.05
Active Duration Style	-0.85	0.64	1.70	1.97	3.39	4.57
Money Market Funds (net of fees)	0.00	0.00	0.01	0.01	0.01	1.32
ML Treasury 1–3-Year	0.15	0.67	0.88	0.66	0.82	2.52
90-Day Treasury Bills	0.01	0.01	0.02	0.06	0.08	1.42
High Yield	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
High Yield Style	0.24	2.84	0.24	7.06	8.76	7.90
Barclays Corporate High Yield	0.00	2.53	-0.40	6.81	8.61	7.89
ML High Yield Master	-0.04	2.49	-0.53	6.74	8.38	7.67
Mortgage/Asset-Backed	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Mortgage Style	-0.59	0.60	2.66	2.44	3.53	4.87
Barclays MBS	-0.74	0.31	2.28	1.92	2.89	4.56
Barclays ABS	0.17	1.08	1.64	1.38	2.48	3.32
Barclays CMBS	-1.06	0.69	1.91	3.28	5.53	5.12
Municipal	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Barclays Muni	-0.89	0.11	3.00	3.10	4.50	4.45
Barclays Muni 1–10-Year	-0.51	0.32	1.74	2.10	3.22	3.89
Barclays Muni 3-Year	-0.02	0.39	0.57	1.17	1.71	2.97
TIPS	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Barclays TIPS Full Duration	-1.06	0.34	-1.73	-0.76	3.29	4.13
Barclays TIPS 1-10 Year	-0.15	1.06	-1.95	-0.54	2.36	3.70

*Returns of less than one year are not annualized.

Sources: Barclays, Callan, Citigroup, Merrill Lynch

Deal or No Deal

NON-U.S. FIXED INCOME | Kyle Fekete

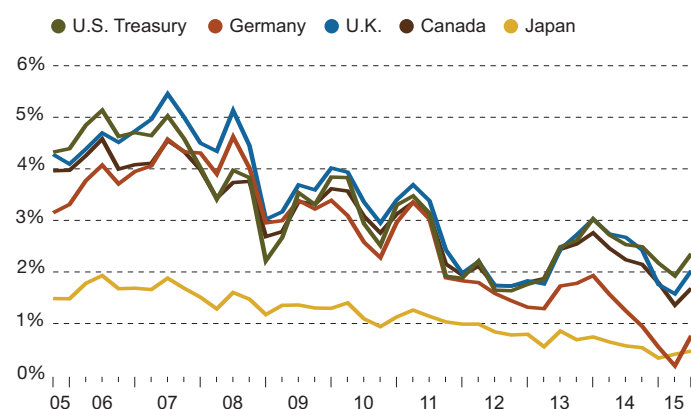
The developed fixed income markets were characterized by rising interest rates, reversing the downward trend over the past several quarters. In a dramatic reversal, yield on German bunds climbed to 0.76% in June, up from the all-time low of 0.05% in mid-April. Rising interest rates were spurred by brighter news in Europe as both hiring and private sector growth approached four-year highs. In Europe, a whiff of inflation in May (+0.2% month-over-month) provided some evidence that the European Central Bank's asset purchase program was working.

Concerns around Greece spread negativity throughout the markets; Italy and Spain were especially hard-hit. Unhedged returns

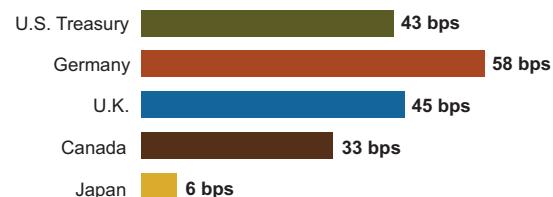
in developed markets were generally negative in U.S. dollar terms (**Citi Non-U.S. World Government Bond Index**: -1.54%). On a hedged basis, all developed markets dropped as the U.S. dollar lost ground versus most developed market currencies (**Citi Non-U.S. World Government Bond Index**: -3.20%).

Emerging market dollar-denominated debt retreated as the **JPM EMBI Global Diversified Index** dipped 0.34% in spite of strong gains in Ukraine (+36.49%) and Venezuela (+12.73%). Ukraine is negotiating with foreign bondholders to restructure its debt. In spite of the strong quarter, it remains down 4.04% year-to-date and 36.77% over the last 12 months. The local

10-Year Global Government Bond Yields



Change in 10-Year Yields from 1Q15 to 2Q15



Source: Bloomberg

Quarterly Return Attribution for Non-U.S. Gov't Indices (U.S. Dollar)

Country	Total	Local	Currency	Wtg
Australia	-2.18%	-2.77%	0.61%	1.95%
Austria	-1.56%	-5.11%	3.74%	1.89%
Belgium	-2.51%	-6.02%	3.74%	2.98%
Canada	-0.01%	-1.43%	1.45%	2.54%
Denmark	-3.10%	-6.73%	3.89%	0.81%
Finland	-0.41%	-4.00%	3.74%	0.68%
France	-1.63%	-5.18%	3.74%	11.23%
Germany	-0.94%	-4.52%	3.74%	8.88%
Ireland	-0.84%	-4.42%	3.74%	0.92%
Italy	-2.71%	-6.22%	3.74%	11.23%
Japan	-2.25%	-0.26%	-1.99%	32.73%
Malaysia	-1.22%	0.64%	-1.84%	0.62%
Mexico	-2.48%	0.44%	-2.91%	1.18%
Netherlands	-1.29%	-4.85%	3.74%	3.04%
Norway	1.67%	-0.74%	2.44%	0.34%
Poland	-2.02%	-2.81%	0.81%	0.67%
Singapore	1.14%	-0.72%	1.87%	0.45%
South Africa	-1.79%	-1.61%	-0.18%	0.64%
Spain	-2.49%	-6.01%	3.74%	6.21%
Sweden	0.34%	-3.46%	3.94%	0.58%
Switzerland	3.55%	-0.37%	3.93%	0.37%
U.K.	2.00%	-3.72%	5.94%	10.07%

Source: Citigroup

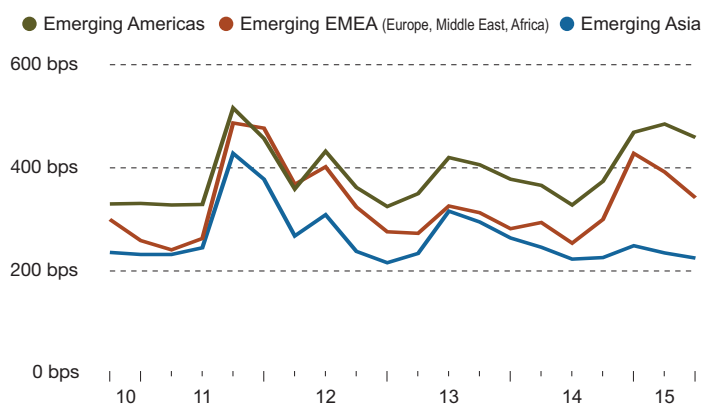
NON-U.S. FIXED INCOME (Continued)

bond **JPM GBI-EM Global Diversified Index** also declined (-0.96%). Russia was again the best performer among emerging markets, up nearly 12% for the quarter and 29% year-to-date. Brazil's (+6%) local bonds continued to bounce back from a sell-off earlier in the year, while Turkey and Indonesia fell 5% for the quarter.

Greece missed a large payment to the International Monetary Fund on June 30, which weighed heavily on investor sentiment. Negotiations between Greece and its lenders continued but remained uncertain. Trading on Greek bonds halted; however, indications from dealers estimated two-year Greek debt yields at about 50% and 10-year debt at nearly 20%.

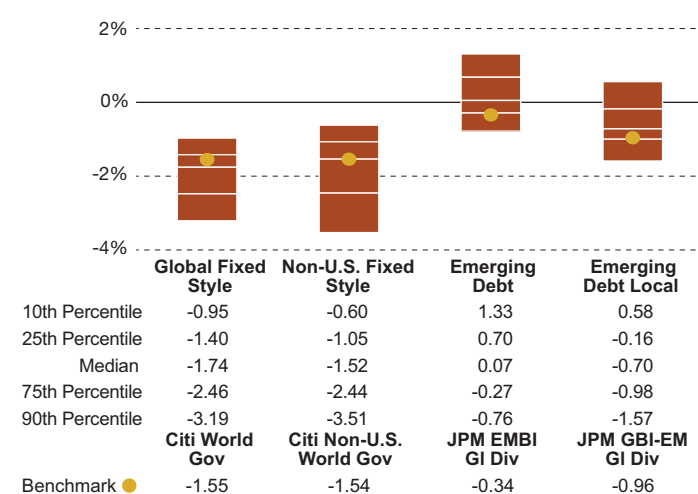
Emerging Spreads Over Developed

(By Region)



Source: Barclays

Callan Style Group Quarterly Returns



Sources: Callan, Citigroup, JPMorgan Chase & Co.

Style Median and Index Returns* for Periods ended June 30, 2015

Global Fixed Income	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Global Style	-1.74	-3.03	-6.49	-0.51	2.51	4.17
Citi World Govt	-1.55	-4.02	-9.02	-2.45	1.05	3.07
Citi World Govt (Local)	-2.67	-0.61	3.67	3.36	3.56	3.54
Barclays Global Aggregate	-1.18	-3.08	-7.09	-0.81	2.07	3.54
Non-U.S. Fixed	-1.52	-5.47	-12.50	-2.19	1.70	3.52
Non-U.S. Style	-1.52	-5.47	-12.50	-2.19	1.70	3.52
Citi Non-U.S. World Govt	-1.54	-5.83	-13.49	-3.88	0.33	2.63
Citi Non-U.S. World Govt (Local)	-3.20	-0.91	4.20	4.37	3.93	3.47
European Fixed	-1.87	-9.15	-15.07	2.27	3.25	3.49
Citi Euro Govt Bond	-1.87	-9.15	-15.07	2.27	3.25	3.49
Citi Euro Govt Bond (Local)	-5.41	-1.34	2.49	6.16	4.85	4.16
Emerging Markets Fixed	-0.34	1.67	0.51	4.30	6.77	7.45
JPM EMBI Global Diversified	-0.34	1.67	0.51	4.30	6.77	7.45
JPM GBI-EM Global Diversified	-0.96	-4.88	-15.39	-3.78	0.94	5.91

*Returns less than one year are not annualized.

Sources: Callan, Citigroup, JPMorgan Chase

Mixed Messages

REAL ESTATE | Mike Pritts

It was a difficult second quarter for U.S. REIT indices as pressure weighed heavily on global prices in anticipation of increased government bond yields. Continued low oil prices caused lingering concerns in U.S. oil-producing sub-markets. Credit markets appeared open, although slowing to a degree. The Fed stated in its June FOMC minutes that financing for commercial real estate remained broadly available, although the expansion of commercial real estate loans on banks' books slowed in April and May. Spreads widened in the commercial mortgage-backed securities (CMBS) market, which can be attributed to a lack of liquidity and potential interest rate hikes.

The **NCREIF Property Index** advanced 3.14% and recorded a 1.26% income return and a 1.89% appreciation return. The NCREIF Property Index cash flow return was 0.87% for the quarter and 3.43% for the trailing four quarters. During the first quarter, there were 134 asset trades, representing \$7.1 billion of overall transactional volume. This remains ahead of the \$5.3 billion 10-year quarterly transaction average. The peak quarterly transaction volume over the prior 10-year period was \$8.7 billion in the second quarter of 2007.

Pricing growth continued to characterize asset trades as equal-weighted transactional capitalization rates dropped to 5.5%. This reflects the lowest measure of the Index since the fourth quarter of 2007. Over the course of the prior cycle, quarterly equal-weighted transactional capitalization rates dipped to a low of 5.46% in the fourth quarter of 2007 and expanded to a peak of 8.46% in the third quarter of 2009. During the second quarter of 2015, appraisal capitalization rates slightly increased from 4.73% to 4.81%. As markets peaked over the prior cycle, appraisal capitalization rates declined to a low of 4.89% in the third quarter of 2008.

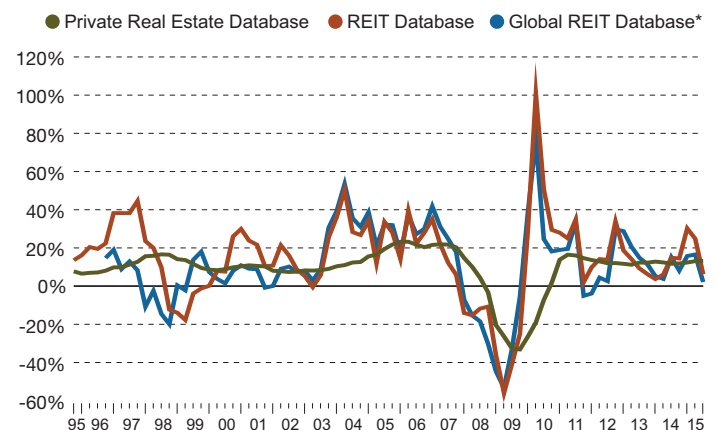
On a preliminary basis, the **NCREIF Open End Diversified Core Equity Index** produced a 3.82% total return, comprising

a 1.19% income return and a 2.62% appreciation return. In the listed real estate market, the **FTSE EPRA/NAREIT Developed REIT Index** (USD) declined 6.67% and domestic REITs tracked by the **FTSE NAREIT Equity REITs Index** dropped 9.95%.

In the U.S., all sectors declined. Self-Storage (-5.0%) led sector performance, followed by Lodging (-6.2%), Residential (-6.4%), Office (-11.2%), Malls (-11.4%), Industrial (-12.6%), and Healthcare (-14.3%). Domestic REITs raised \$17.6 billion (two initial public offerings, \$436 million; 28 secondary offerings, \$6.7 billion; two preferred equity offerings, \$391 million; and 21 unsecured debt offerings, \$10.2 billion).

In core Europe, falling unemployment rates, additional rounds of European Central Bank stimulus, and a general inflow of funds have led to a compression of prime office market capitalization rates—but spreads remain wide over sovereign yields. The central London office market continues to have high occupancy rates supported by strong employment growth and tight supply. Overall, European office vacancy rates have continued to decline, led by central London, major German cities, and second-tier markets.

Rolling One-Year Returns



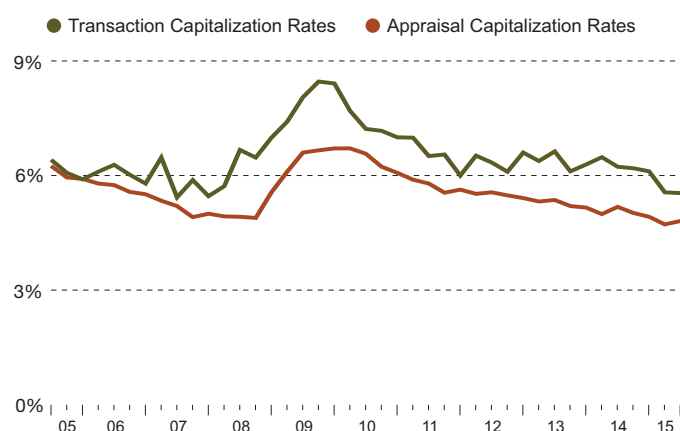
*Global REIT returns from 3Q96
Source: Callan

REAL ESTATE (Continued)

In Japan the yen's depreciation led to a very active second quarter for real estate markets, which caused further capitalization rate compression in first-tier cities. Transaction volumes in both China and Australia were muted as macro concerns over Chinese market corrections escalated. A weak Australian dollar attracted overseas investors, particularly from within the Asia Pacific region.

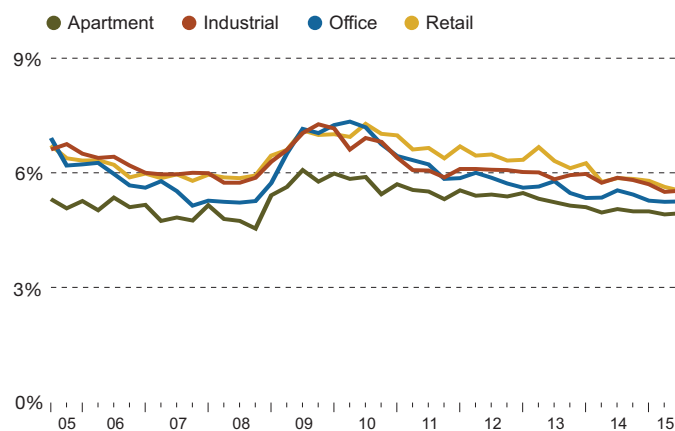
CMBS issuance reached \$27.5 billion in the first quarter of the year, ahead of the \$27.0 billion of issuance volume from the quarter prior and \$20.5 billion in the second quarter of 2014. Total issuance for the trailing 12 months was \$107.7 billion, nearing rolling one-year issuance volumes not seen since May 2008. Quarterly issuance volume between 2005 and 2007 ranged from \$33.0 billion to a high of \$73.6 billion in the second quarter of 2007.

NCREIF Transaction and Appraisal Capitalization Rates



Source: NCREIF
Note: Transaction capitalization rate is equal-weighted.

NCREIF Capitalization Rates by Property Type



Source: NCREIF
Note: Capitalization rates are appraisal-based.

Callan Database Median and Index Returns* for Periods ended June 30, 2015

Private Real Estate	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Real Estate Database (net of fees)	3.04	6.19	13.75	12.80	13.83	5.57
NCREIF Property	3.14	6.83	12.98	11.63	12.72	8.16
NFI-ODCE (value wtd. net)	3.15	6.41	12.92	11.91	13.24	5.81
Public Real Estate	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
REIT Database	-9.53	-5.30	5.54	9.77	15.08	8.15
FTSE NAREIT Equity	-9.95	-5.67	4.33	8.93	14.28	7.01
Global Real Estate	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Global REIT Database	-6.37	-1.96	2.02	10.40	13.16	7.17
FTSE EPRA/NAREIT Developed REIT	-6.67	-2.78	0.41	9.50	12.38	6.20

*Returns less than one year are not annualized.

All REIT returns are reported gross in USD.

Sources: Callan, NAREIT, NCREIF, The FTSE Group. NCREIF statistics are the product of direct queries and may fluctuate over time.

A Seller's Market

PRIVATE EQUITY | Gary Robertson

In fundraising, *Private Equity Analyst* reports that new second-quarter commitments totaled \$87.1 billion with 231 new partnerships formed, up 55% from the first quarter's \$56.2 billion and 147 partnerships formed. If this momentum continues, 2015 could cross the \$300 billion mark. The 10 partnerships that raised the most capital so far in 2015 account for 67% of the first-half total; Blackstone VII was the largest at \$17.5 billion.

According to *Buyouts*, the investment pace by funds into companies in the second quarter totaled 358 transactions, up slightly from 333 deals in the first quarter of 2015. The announced aggregate dollar volume was \$24.3 billion, down from \$34.9 in the first quarter. Nine deals with announced values of \$1 billion or more closed in the second quarter, the largest being the \$4.1 billion Life Time Fitness and \$3.4 billion Riverbed Technology take-private transactions.

According to the National Venture Capital Association, second-quarter investments in venture capital companies totaled \$17.5 billion in 1,189 rounds of financing—the largest dollar volume since the fourth quarter of 2000. The dollar volume and number of rounds both increased compared to the first quarter's \$13.5 billion and 1,048 rounds. The largest was a \$1.5 billion expansion round by Airbnb.

Regarding exits, *Buyouts* reports that 135 private M&A exits of buyout-backed companies occurred during the second quarter, with 49 deals disclosing values totaling \$35.8 billion. The M&A exit count

Funds Closed January 1 to June 30, 2015

Strategy	No. of Funds	Amt (\$mm)	Percent
Venture Capital	151	21,523	15%
Buyouts	139	93,821	65%
Subordinated Debt	17	3,814	3%
Distressed Debt	19	10,793	8%
Secondary and Other	13	6,250	4%
Fund-of-funds	39	7,103	5%
Totals	378	143,304	100%

Source: Private Equity Analyst

was about even with the first quarter, which had 136 private exits but a slightly higher announced value of \$36.9 billion. Buyout-backed IPOs jumped to 17 issues in the second quarter floating \$6.6 billion, up from the six IPOs totaling \$1.1 billion in the first quarter.

Venture-backed M&A exits totaled 70 transactions, with 14 disclosing a total dollar volume of \$4.1 billion. The number of exits declined from the first quarter's 94 company sales, but the announced dollar volume increased from \$2.2 billion. There were 27 VC-backed IPOs in the second quarter with a combined float of \$3.4 billion, 10 more than the first quarter's 17 IPOs and more than double the total issuance of \$1.4 billion.

Please see our upcoming issue of *Private Markets Trends* for more in-depth coverage.

Note: Transaction count and dollar volume figures across all private equity measures are preliminary figures and are subject to update in subsequent versions of *Capital Market Review* and other Callan publications.

Private Equity Performance Database (%)

(Pooled Horizon IRRs through December 31, 2014*)

Strategy	3 Months	Year	3 Years	5 Years	10 Years	15 Years	20 Years
All Venture	11.8	23.9	18.7	16.5	10.4	5.3	28.0
Growth Equity	0.8	11.1	14.2	14.0	12.6	10.5	15.0
All Buyouts	2.3	9.6	15.2	14.4	12.7	11.4	13.2
Mezzanine	1.9	11.0	12.3	11.9	10.6	8.0	10.3
Distressed	0.2	7.5	14.5	12.5	10.7	11.3	11.6
All Private Equity	3.3	11.8	15.5	14.4	12.0	9.8	14.6
S&P 500	4.9	13.7	20.4	15.5	7.7	4.2	9.9

Private equity returns are net of fees.

Sources: Standard & Poor's, Thomson/Cambridge

*Most recent data available at time of publication

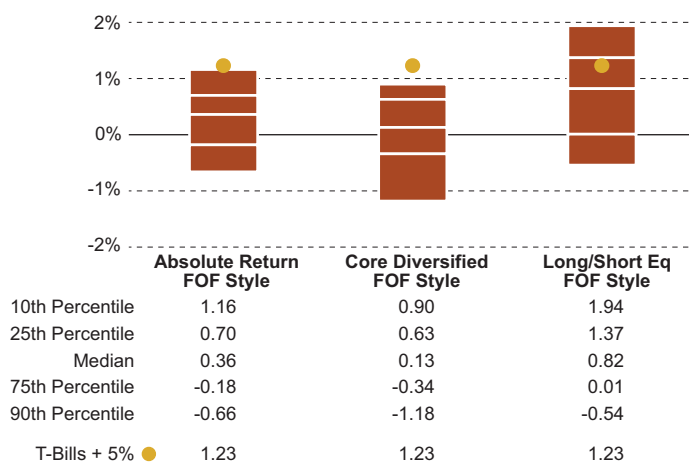
Momentum Whiplash

HEDGE FUNDS | Jim McKee

While Greece skidded toward default at quarter's end, the rest of the world's policy makers desperately tried to keep their respective economies on a growth track. As China's nascent stock market surged and rolled over, President Xi Jinping continued his formidable challenge to downshift its investment-led economy to a consumer-powered one. Facing tighter labor markets and greater consumer confidence at home, the U.S. Federal Reserve steered markets resolutely toward rate hikes. After rising early in the quarter, markets backpedaled at the end, with most finishing nearly unchanged. Giving up first-quarter gains, the 10-year Treasury fell 3.05%. The **Barclays High Yield Index** (+0.00%) absorbed widening spreads with its carry.

Illustrating raw hedge fund performance without implementation costs, the **Credit Suisse Hedge Fund Index (CS HFI)** slipped 0.48%. As a proxy to actively managed hedge fund portfolios, the median manager in the **Callan Hedge Fund-of-Funds Database** moved ahead 0.23%, net of all fees. Within the CS HFI, those chasing momentum were hurt badly while those focused on fundamentals survived unscathed, more or less. The quarter's most notable victim was *Managed Futures* (-10.61%). The best-performing strategies for the quarter were

Callan Style Group Quarterly Returns



Sources: Callan, Merrill Lynch

Convertible Arb (+2.49%), *Equity Market Neutral* (+2.12%), and *Risk Arb* (+1.70%). Despite meager fuel from market beta, *Long/Short Equity* gained 1.66%.

Within Callan's Hedge Fund-of-Funds Database, market exposures provided little traction in the second quarter. Nevertheless, the median *Callan Long/Short Equity FOF* (+0.82%) edged out the *Callan Absolute Return FOF* (+0.36%).

Database Median and Index Returns* for Periods ended June 30, 2015

	Quarter	2 Quarters	Year	3 Years	5 Years	10 Years
Hedge Fund-of-Funds Database	0.23	2.45	3.57	7.08	5.61	4.78
CS Hedge Fund Index	-0.48	1.99	3.28	7.08	6.17	5.89
CS Equity Market Neutral	2.12	-0.40	-1.07	3.21	3.31	-1.20
CS Convertible Arbitrage	2.49	2.97	-1.05	3.61	4.82	5.05
CS Fixed Income Arbitrage	0.90	0.75	1.70	5.00	6.23	4.04
CS Multi-Strategy	0.24	3.24	6.45	9.00	8.45	6.86
CS Distressed	-0.35	-0.10	-3.74	8.33	6.37	6.13
CS Risk Arbitrage	1.70	2.39	-2.04	2.71	2.57	3.96
CS Event Driven Multi-Strategy	0.73	2.89	-1.31	8.67	5.67	6.55
CS Long/Short Equity	1.66	3.53	6.01	10.84	7.82	6.69
CS Dedicated Short Bias	-4.83	-8.88	-8.12	-17.00	-15.71	-9.68
CS Global Macro	-1.80	2.59	4.79	4.84	5.99	7.68
CS Managed Futures	-10.61	-4.07	12.86	2.92	2.87	3.96
CS Emerging Markets	1.42	2.80	4.52	7.07	5.58	6.61

*Returns less than one year are not annualized. Sources: Callan, Credit Suisse

TDFs Win Quarter, Asset Flows

DEFINED CONTRIBUTION | James O'Connor

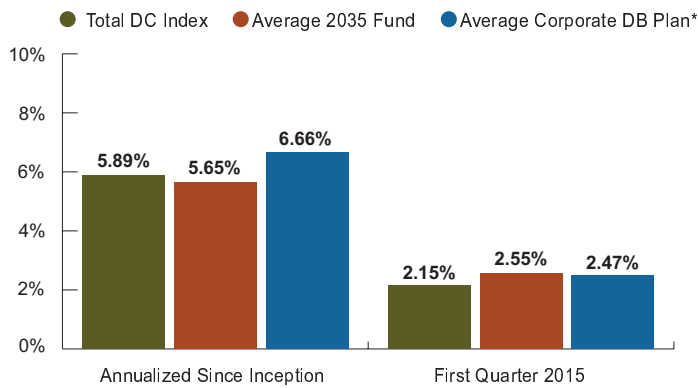
The Callan DC Index™ started the year off on a reasonably sound note, gaining 2.15% for the first quarter. Still, that performance trailed the typical 2035 target date fund (TDF), which gained 2.55%. TDFs benefited from a much higher exposure to non-U.S. equity—one of the best-performing asset classes during the period. Corporate DB plans performed more or less in line with 2035 TDFs, but have outperformed both TDFs and the DC Index since inception by an annualized margin of 1.01% and 0.77%, respectively.

DC plan balances grew by 2.76% in the first quarter, driven primarily by market performance. Inflows added 60 bps to total growth. Since inception, plan sponsor and participant contributions have had a significant impact on balances and are responsible for approximately one-third of the total growth in balances (2.54% annualized).

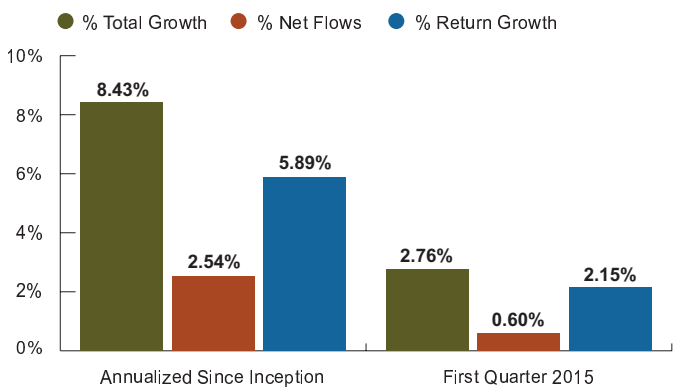
Nearly 66 cents of every dollar that moved within DC plans during the first quarter flowed to TDFs. However, U.S. fixed income and U.S. large cap also made respectable showings in terms of inflows—largely at the expense of stable value. Approximately 43% of outflows came from this asset class during the quarter. This follows five successive quarters of stable value fund outflows. Still, overall turnover was modest at 0.32%, significantly below the historical average of 0.67%.

The Callan DC Index™ is an equally weighted index tracking the cash flows and performance of nearly 90 plans, representing more than one million DC participants and over \$140 billion in assets. The Index is updated quarterly and is available on Callan's website, as is the quarterly DC Observer newsletter.

Investment Performance*



Growth Sources*



Net Cash Flow Analysis (First Quarter 2015)* (Top Two and Bottom Two Asset Gatherers)

Asset Class	Flows as % of Total Net Flows
Target Date Funds	65.77%
U.S. Fixed Income	12.45%
Company Stock	-25.21%
Stable Value	-42.58%
Total Turnover	0.32%

1 Total Index “turnover” measures the percentage of total invested assets (transfers only, excluding contributions and withdrawals) that moved between asset classes.

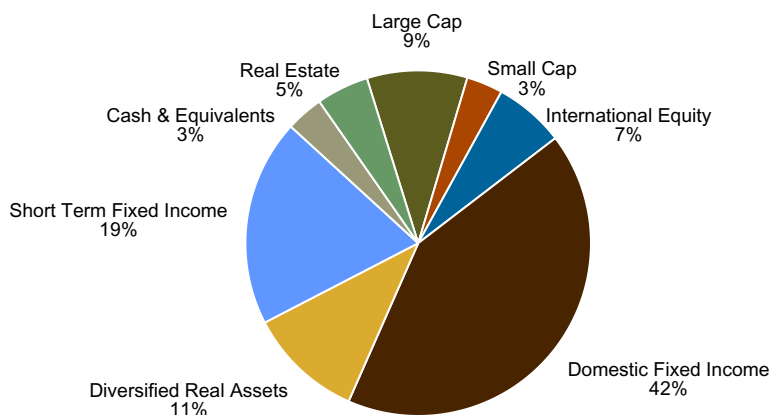
Source: Callan DC Index

*Notes: DC Index inception date is January 2006. DB plan performance is gross of fees. Data provided here is the most recent available at time of publication.

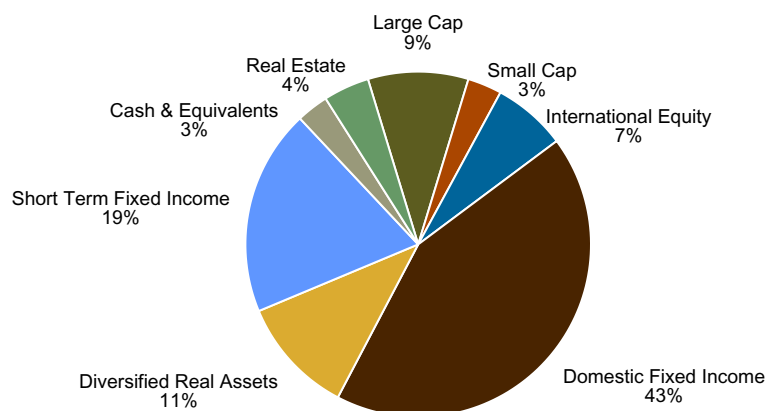
Actual vs Target Asset Allocation As of June 30, 2015

The first chart below shows the Fund's asset allocation as of June 30, 2015. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



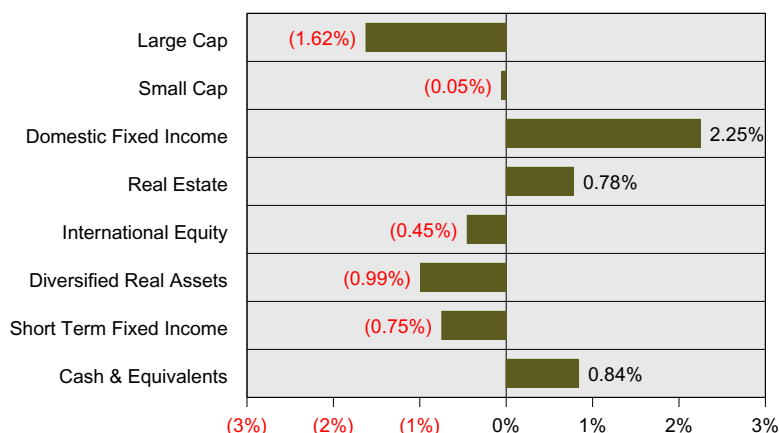
Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap	230,769	9.4%	9.4%	0.0%	530
Small Cap	82,681	3.4%	3.2%	0.2%	4,302
International Equity	161,674	6.6%	6.9%	(0.3%)	(7,331)
Domestic Fixed Income	1,028,923	42.0%	42.9%	(0.9%)	(21,845)
Diversified Real Assets	265,626	10.8%	11.0%	(0.2%)	(3,801)
Short Term Fixed Income	475,067	19.4%	19.3%	0.1%	2,343
Cash & Equivalents	84,825	3.5%	3.0%	0.5%	11,345
Real Estate	119,779	4.9%	4.3%	0.6%	14,457
Total	2,449,342	100.0%	100.0%		

* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

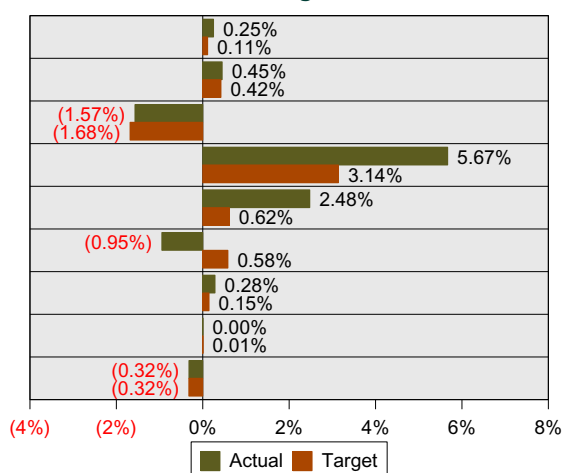
Quarterly Total Fund Relative Attribution - June 30, 2015

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

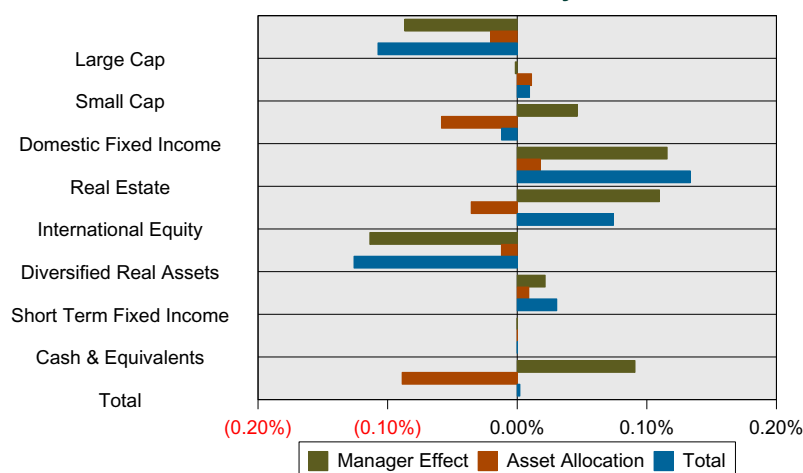
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended June 30, 2015

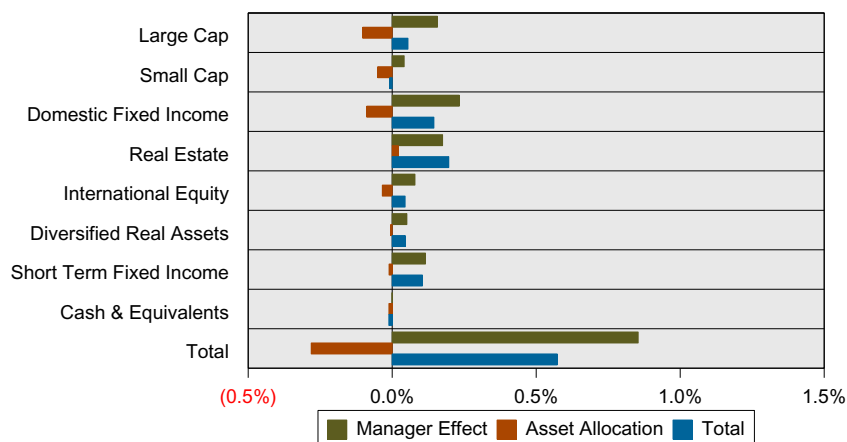
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	15%	16%	0.25%	0.11%	(0.09%)	(0.02%)	(0.11%)
Small Cap	3%	3%	0.45%	0.42%	(0.00%)	0.01%	0.01%
Domestic Fixed Income	42%	39%	(1.57%)	(1.68%)	0.05%	(0.06%)	(0.01%)
Real Estate	5%	4%	5.67%	3.14%	0.12%	0.02%	0.13%
International Equity	6%	6%	2.48%	0.62%	0.11%	(0.04%)	0.07%
Diversified Real Assets	9%	10%	(0.95%)	0.58%	(0.11%)	(0.01%)	(0.13%)
Short Term Fixed Income	17%	18%	0.28%	0.15%	0.02%	0.01%	0.03%
Cash & Equivalents	4%	3%	0.00%	0.01%	(0.00%)	0.00%	0.00%
Total			(0.32%)	(0.32%)	+ 0.09%	+ (0.09%)	0.00%

* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

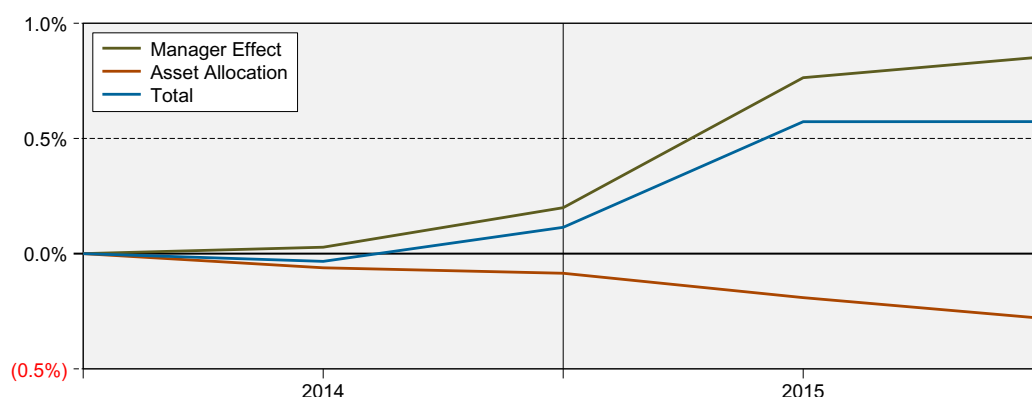
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

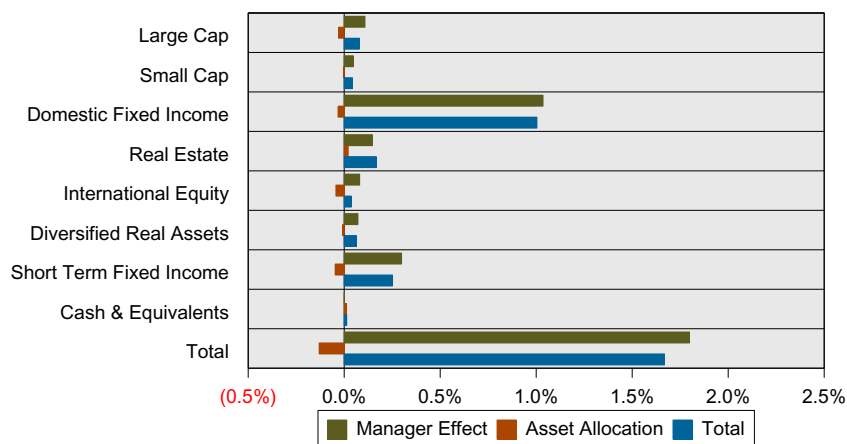
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	16%	17%	9.02%	7.37%	0.16%	(0.10%)	0.05%
Small Cap	5%	5%	7.47%	6.49%	0.04%	(0.05%)	(0.01%)
Domestic Fixed Income	38%	38%	2.40%	1.86%	0.23%	(0.09%)	0.14%
Real Estate	5%	5%	16.36%	12.98%	0.17%	0.02%	0.20%
International Equity	10%	10%	(2.11%)	(4.22%)	0.08%	(0.03%)	0.04%
Diversified Real Assets	8%	9%	(0.56%)	(1.22%)	0.05%	(0.01%)	0.05%
Short Term Fixed Income	15%	15%	1.76%	0.91%	0.12%	(0.01%)	0.10%
Cash & Equivalents	2%	2%	0.01%	0.02%	(0.00%)	(0.01%)	(0.01%)
Total			2.61%	2.03%	+ 0.85%	+ (0.28%)	0.57%

* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Three Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Three Year Annualized Relative Attribution Effects

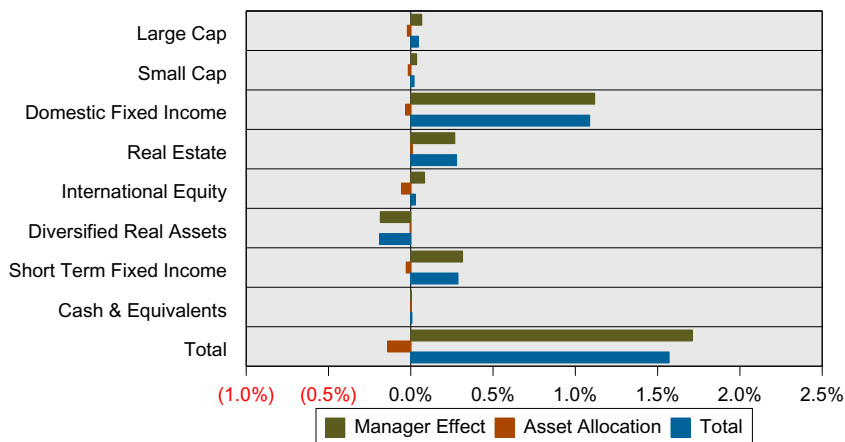
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	10%	11%	19.39%	17.73%	0.11%	(0.03%)	0.08%
Small Cap	3%	3%	19.75%	17.81%	0.05%	(0.00%)	0.04%
Domestic Fixed Income	32%	33%	5.00%	1.83%	1.04%	(0.03%)	1.00%
Real Estate	4%	4%	15.43%	11.63%	0.15%	0.02%	0.17%
International Equity	7%	7%	14.23%	11.97%	0.08%	(0.04%)	0.04%
Diversified Real Assets	10%	10%	3.45%	2.58%	0.07%	(0.01%)	0.06%
Short Term Fixed Income	30%	30%	1.69%	0.68%	0.30%	(0.05%)	0.25%
Cash & Equivalents	3%	2%	0.10%	0.06%	0.00%	0.01%	0.01%
Total			5.68%	4.01%	1.80%	(0.13%)	1.67%

* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

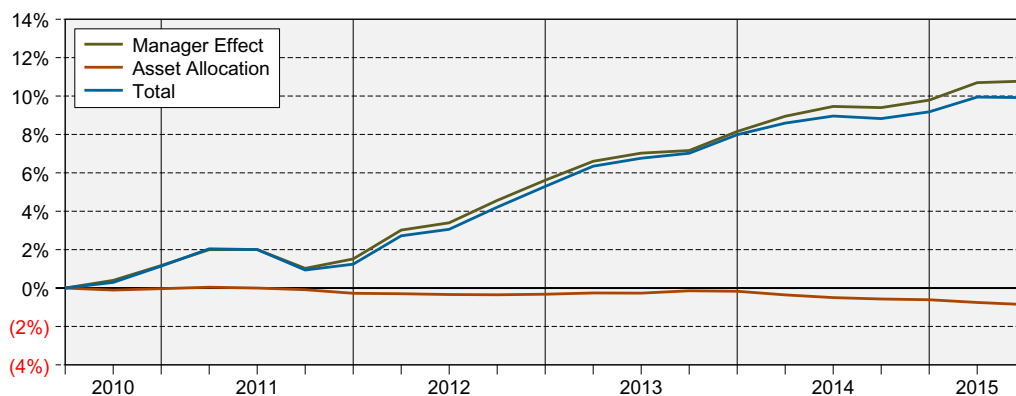
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Five Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Five Year Annualized Relative Attribution Effects

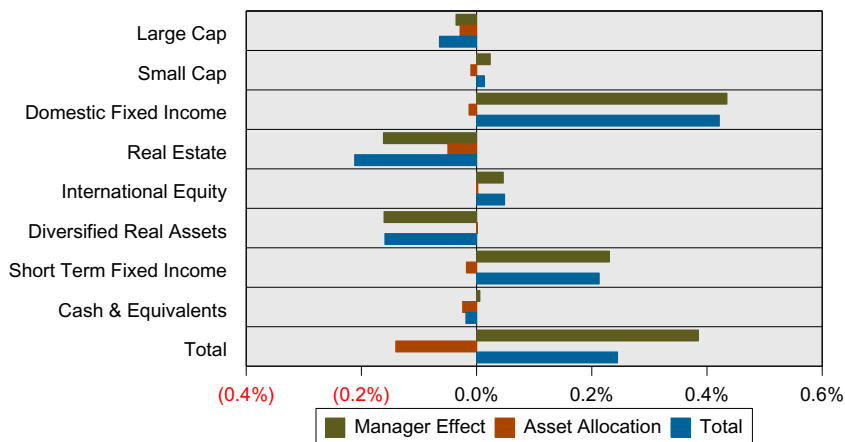
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	10%	10%	18.49%	17.57%	0.07%	(0.02%)	0.05%
Small Cap	3%	3%	18.45%	17.08%	0.04%	(0.02%)	0.02%
Domestic Fixed Income	36%	36%	6.51%	3.35%	1.12%	(0.03%)	1.09%
Real Estate	4%	4%	19.26%	12.72%	0.27%	0.01%	0.28%
International Equity	6%	7%	10.23%	8.37%	0.08%	(0.06%)	0.03%
Diversified Real Assets	13%	13%	4.60%	5.30%	(0.19%)	(0.00%)	(0.19%)
Short Term Fixed Income	24%	24%	1.89%	0.52%	0.31%	(0.03%)	0.29%
Cash & Equivalents	3%	3%	0.17%	0.08%	0.00%	0.00%	0.01%
Total			6.79%	5.22%	+ 1.71%	+ (0.14%)	1.57%

* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

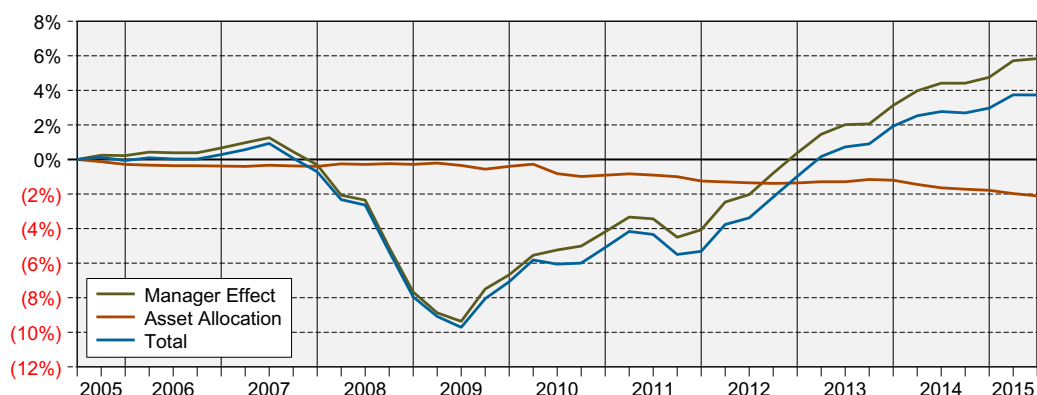
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Ten Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Ten Year Annualized Relative Attribution Effects

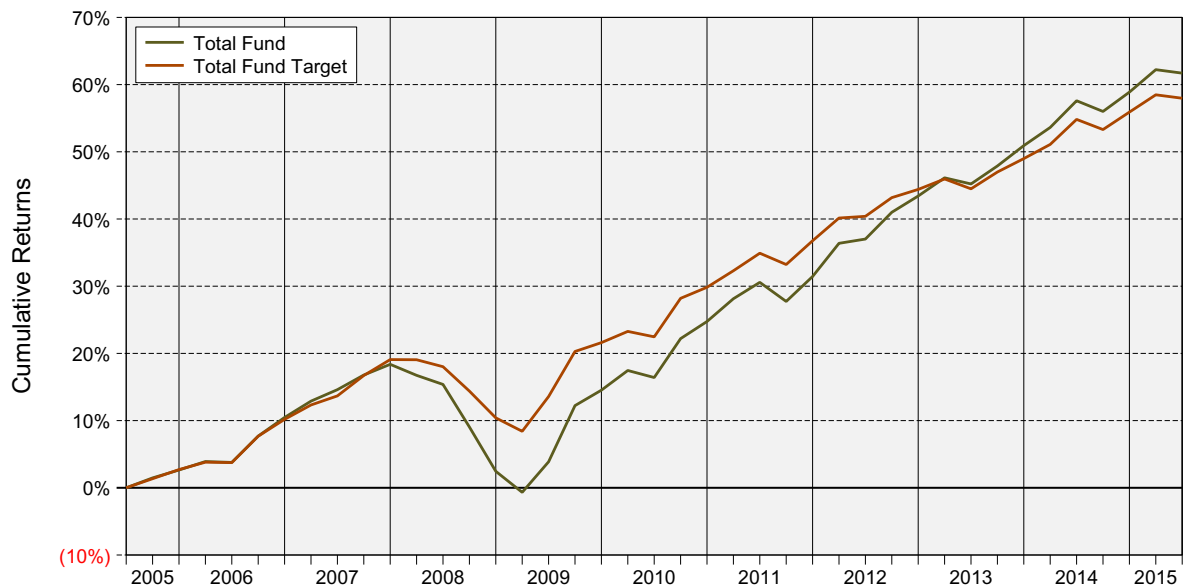
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	10%	10%	7.79%	8.00%	(0.04%)	(0.03%)	(0.06%)
Small Cap	3%	3%	9.06%	8.40%	0.02%	(0.01%)	0.01%
Domestic Fixed Income	42%	42%	5.88%	4.44%	0.43%	(0.01%)	0.42%
Real Estate	4%	5%	3.85%	8.16%	(0.16%)	(0.05%)	(0.21%)
International Equity	7%	7%	5.70%	4.87%	0.05%	0.00%	0.05%
Diversified Real Assets	16%	16%	3.70%	4.31%	(0.16%)	0.00%	(0.16%)
Short Term Fixed Income	13%	13%	-	-	0.23%	(0.02%)	0.21%
Cash & Equivalents	4%	4%	1.54%	1.42%	0.01%	(0.02%)	(0.02%)
Total			4.92%	4.68%	+ 0.39%	+ (0.14%)	0.24%

* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

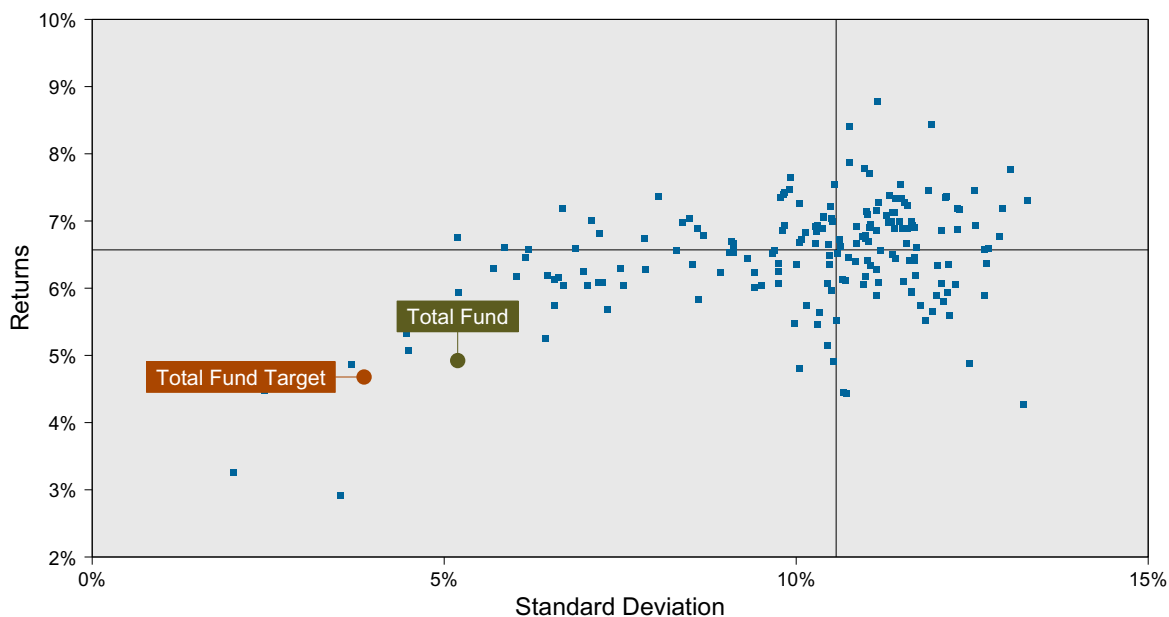
Cumulative Performance Relative to Target

The first chart below illustrates the cumulative performance of the Total Fund relative to the cumulative performance of the Fund's Target Asset Mix. The Target Mix is assumed to be rebalanced each quarter with no transaction costs. The second chart below shows the return and the risk of the Total Fund and the Target Mix, contrasted with the returns and risks of the funds in the Public Fund Sponsor Database.

Cumulative Returns Actual vs Target



Ten Year Annualized Risk vs Return



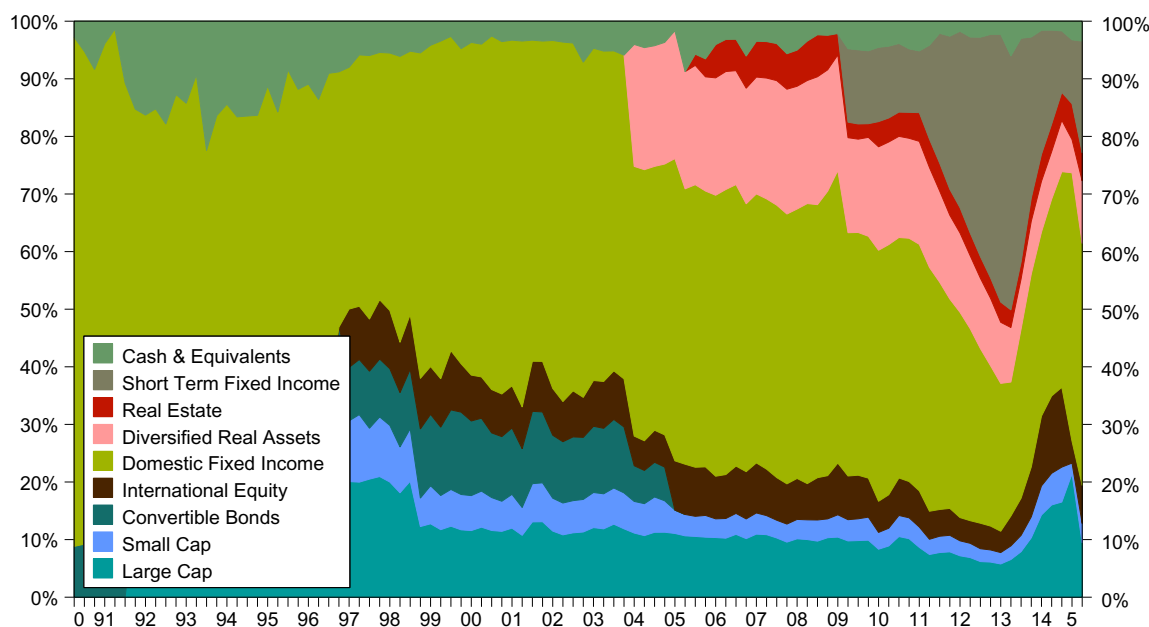
Squares represent membership of the Public Fund Sponsor Database

* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

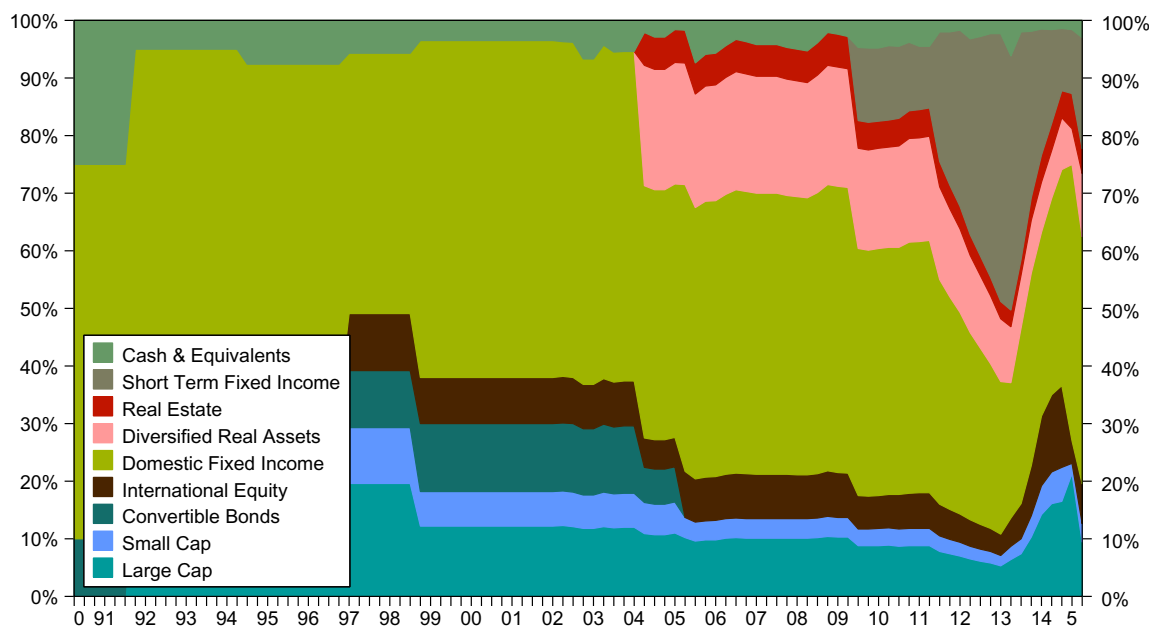
Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, and the fund's historical target asset allocation.

Actual Historical Asset Allocation



Target Historical Asset Allocation

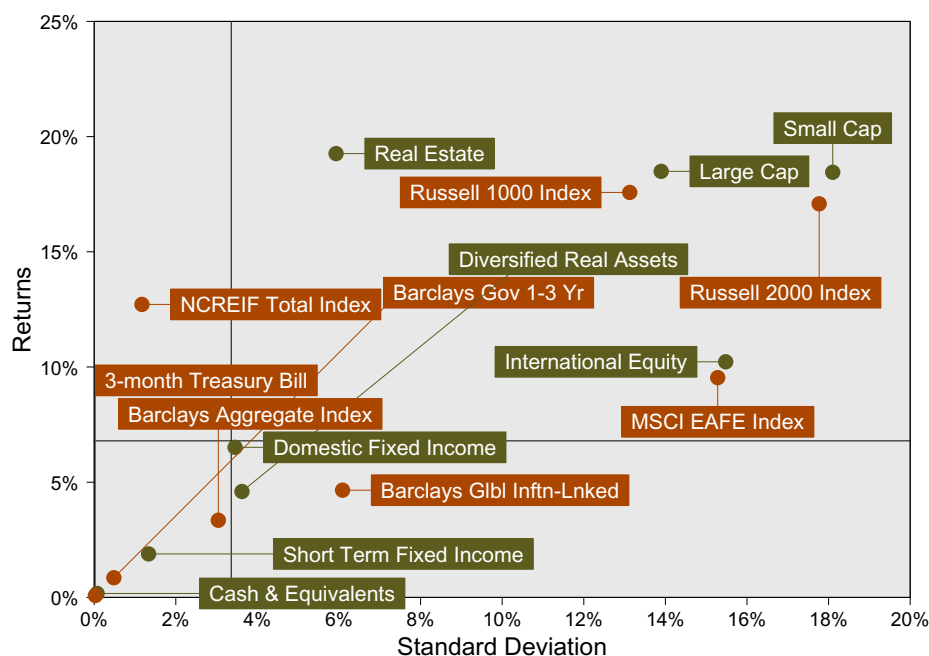


* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

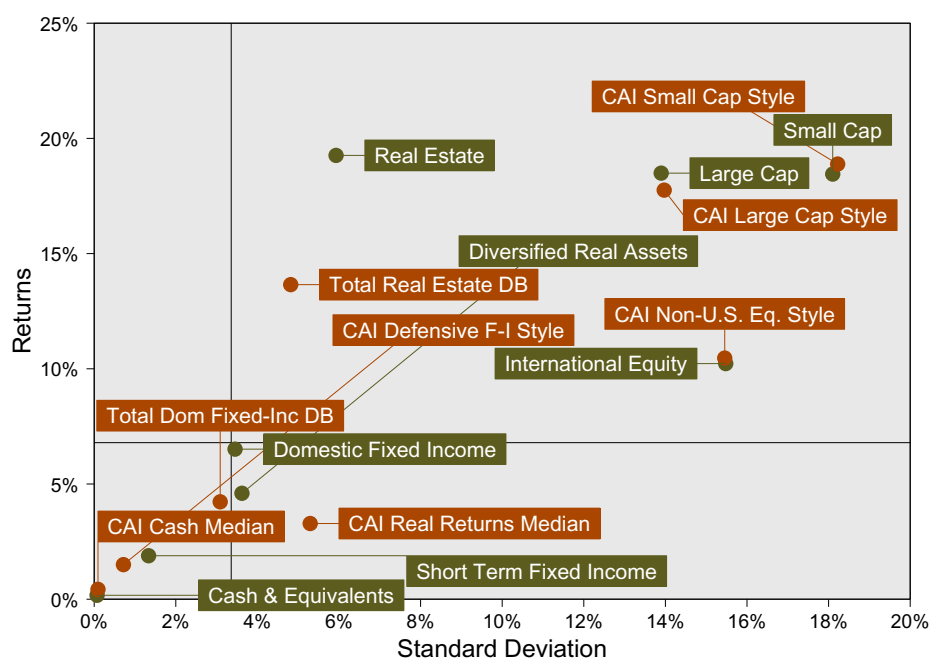
Asset Class Risk and Return

The charts below show the five year annualized risk and return for each asset class component of the Total Fund. The first graph contrasts these values with those of the appropriate index for each asset class. The second chart contrasts them with the risk and return of the median portfolio in each of the appropriate CAI comparative databases. In each case, the crosshairs on the chart represent the return and risk of the Total Fund.

Five Year Annualized Risk vs Return Asset Classes vs Benchmark Indices



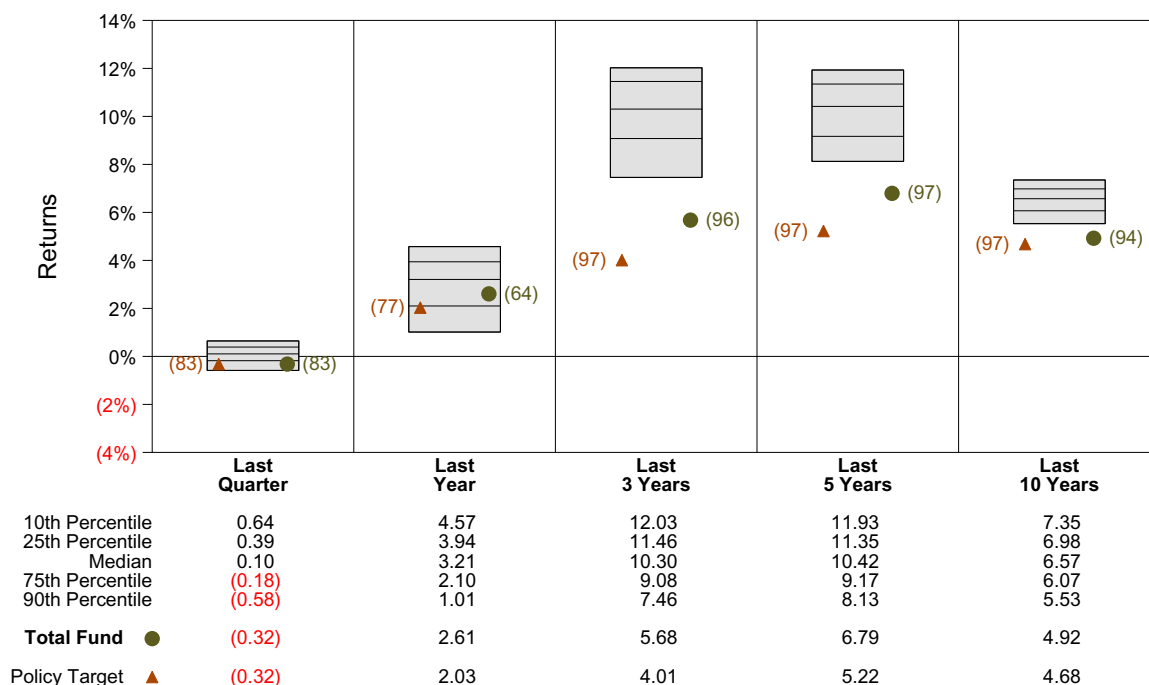
Five Year Annualized Risk vs Return Asset Classes vs Asset Class Median



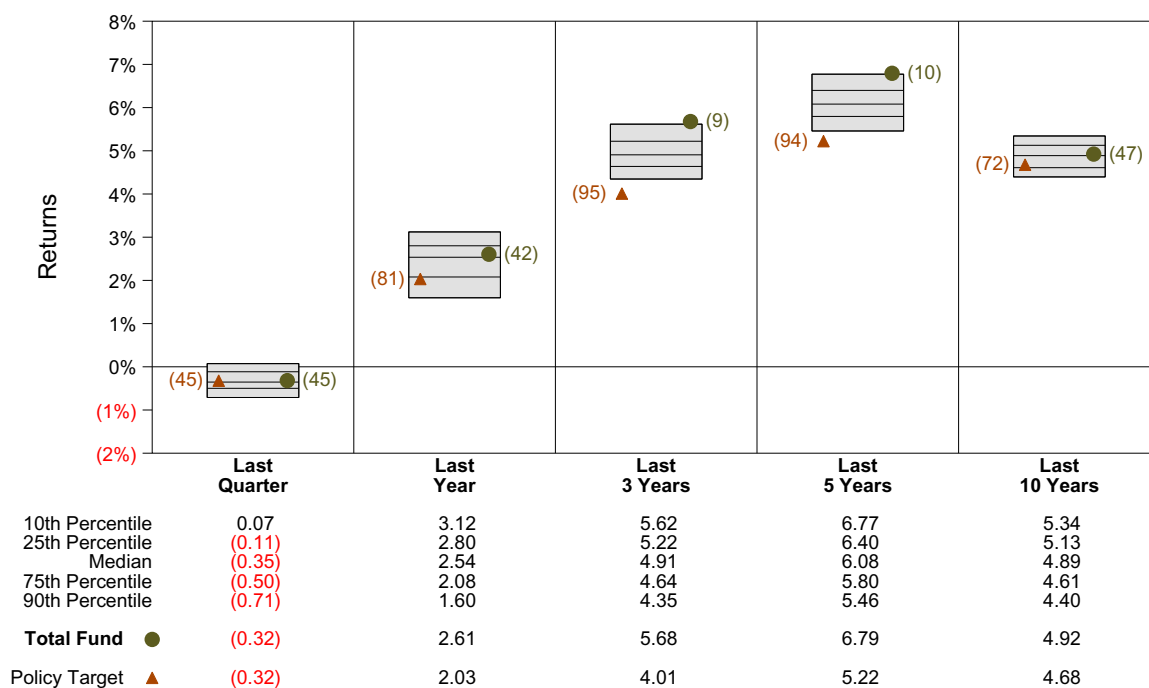
Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the Public Fund Sponsor Database for periods ended June 30, 2015. The first chart is a standard unadjusted ranking. In the second chart each fund in the database is adjusted to have the same historical asset allocation as that of the Total Fund.

Public Fund Sponsor Database



Asset Allocation Adjusted Ranking

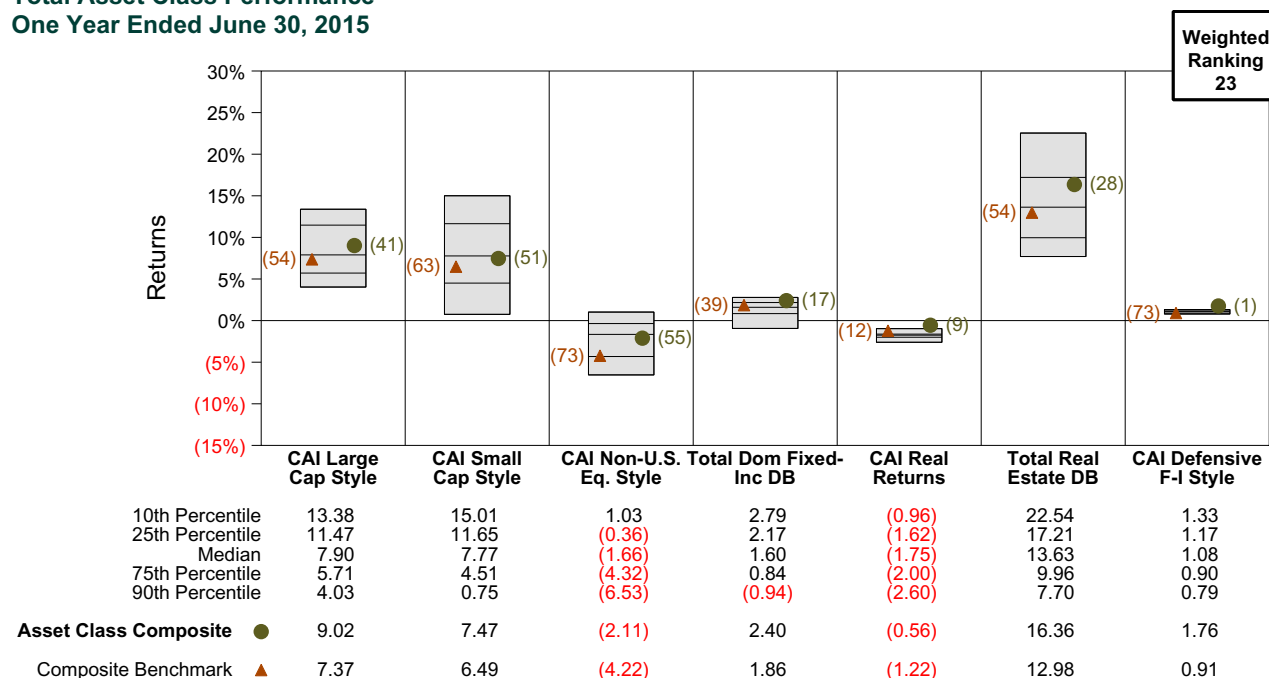


* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

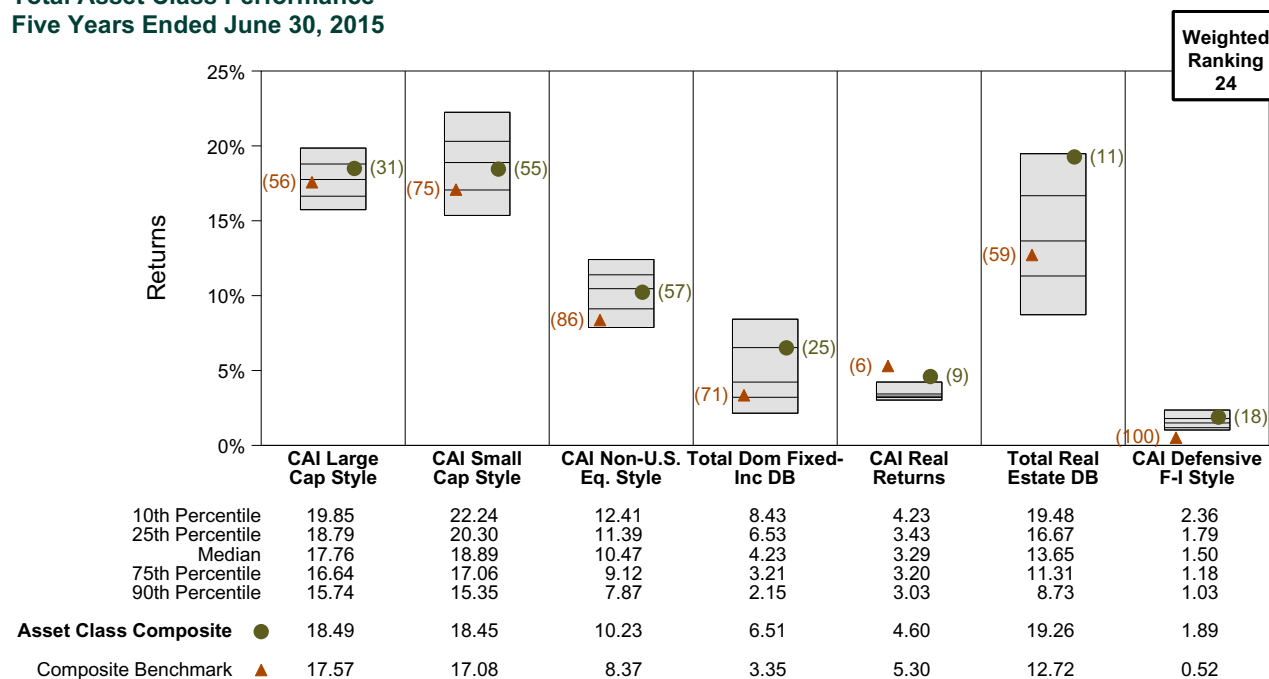
Asset Class Rankings

The charts below show the rankings of each asset class component of the Total Fund relative to appropriate comparative databases. In the upper right corner of each graph is the weighted average of the rankings across the different asset classes. The weights of the fund's actual asset allocation are used to make this calculation. The weighted average ranking can be viewed as a measure of the fund's overall success in picking managers and structuring asset classes.

Total Asset Class Performance One Year Ended June 30, 2015



Total Asset Class Performance Five Years Ended June 30, 2015



* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	June 30, 2015				March 31, 2015	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	\$313,449,248	12.80%	\$(708,744,071)	\$1,168,248	\$1,021,025,071	23.28%
Large Cap	\$230,768,576	9.42%	\$(708,725,492)	\$798,366	\$938,695,702	21.41%
Parametric Clifton Large Cap	45,431,169	1.85%	(141,664,264)	1,152,433	185,943,000	4.24%
L.A. Capital Large Cap Growth	70,073,255	2.86%	(213,198,145)	(1,674,007)	284,945,407	6.50%
L.A. Capital Enhanced	45,895,902	1.87%	(140,755,415)	(1,003,822)	187,655,139	4.28%
LSV Large Cap Value	69,368,250	2.83%	(213,107,668)	2,323,762	280,152,156	6.39%
Small Cap	\$82,680,672	3.38%	\$(18,579)	\$369,882	\$82,329,369	1.88%
Parametric Clifton Small Cap	58,935,255	2.41%	0	367,677	58,567,578	1.34%
Research Affiliates	23,745,417	0.97%	(18,579)	2,205	23,761,791	0.54%
International Equity	\$161,673,533	6.60%	\$(8,749,139)	\$4,189,220	\$166,233,452	3.79%
Capital Group	64,597,626	2.64%	(3,171,951)	1,557,591	66,211,986	1.51%
DFA Int'l Small Cap Value	16,508,931	0.67%	(1,000,000)	851,983	16,656,948	0.38%
LSV Intl Value	63,912,781	2.61%	(3,577,189)	1,238,933	66,251,037	1.51%
Vanguard Intl Explorer Fund	16,654,195	0.68%	(1,000,000)	540,714	17,113,480	0.39%
Domestic Fixed Income	\$1,028,922,658	42.01%	\$(993,368,338)	\$(21,776,027)	\$2,044,067,022	46.61%
Declaration Total Return	78,121,573	3.19%	(86,664,717)	69,476	164,716,814	3.76%
PIMCO DiSCO II	78,983,934	3.22%	0	1,266,550	77,717,384	1.77%
PIMCO Bravo II Fund	35,384,594	1.44%	5,000,000	1,597,272	28,787,322	0.66%
Prudential	88,672,172	3.62%	(74,275,065)	(2,192,011)	165,139,248	3.77%
SSgA US Govt Credit Bd Idx	134,918,321	5.51%	(144,536,603)	(2,897,772)	282,352,696	6.44%
Wells Capital	304,057,674	12.41%	(344,363,208)	(12,305,433)	660,726,315	15.07%
Western Asset Management	308,784,390	12.61%	(348,528,745)	(7,314,108)	664,627,243	15.16%
Diversified Real Assets	\$265,626,481	10.84%	\$15,103,145	\$(2,244,356)	\$252,767,693	5.76%
Western Asset Management	112,261,432	4.58%	15,970,394	(628,224)	96,919,262	2.21%
JP Morgan Infrastructure	72,599,328	2.96%	1,311,437	(2,421,556)	73,709,448	1.68%
Eastern Timber Opportunities	61,260,132	2.50%	0	763,542	60,496,590	1.38%
Grosvenor Cust. Infrastructure	19,505,589	0.80%	(2,178,686)	41,882	21,642,393	0.49%
Real Estate	\$119,778,975	4.89%	\$(159,305,730)	\$6,467,207	\$272,617,498	6.22%
Invesco Core Real Estate	55,974,821	2.29%	(74,602,050)	2,796,863	127,780,008	2.91%
JP Morgan RE	63,804,154	2.60%	(84,703,680)	3,670,343	144,837,490	3.30%
Short Term Fixed Income	\$475,066,575	19.40%	\$(13,061,651)	\$1,386,450	\$486,741,775	11.10%
JP Morgan Short Term Bonds	235,792,520	9.63%	(6,000,000)	283,023	241,509,497	5.51%
Babson Short Term Bonds	239,274,055	9.77%	(6,962,286)	1,299,709	244,936,633	5.59%
Babson Short Term - Legacy	-	-	(99,364)	(196,282)	295,646	0.01%
Cash & Equivalents	\$84,824,989	3.46%	\$(57,030,956)	\$2,639	\$141,853,307	3.23%
Cash Account	84,824,989	3.46%	(57,030,956)	2,639	141,853,307	3.23%
Total Fund	\$2,449,342,460	100.0%	\$(1,925,156,740)	\$(10,806,618)	\$4,385,305,817	100.0%

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2015. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended June 30, 2015

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity					
Gross	0.70%	8.48%	19.46%	18.43%	8.13%
Net	0.65%	8.27%	19.19%	18.04%	7.76%
Large Cap Equity					
Gross	0.25%	9.02%	19.39%	18.49%	7.79%
Net	0.21%	8.83%	19.17%	18.20%	7.46%
Benchmark(1)	0.11%	7.37%	17.73%	17.57%	8.00%
Parametric Clifton Large Cap - Gross	(0.41%)	7.17%	17.37%	17.75%	-
Parametric Clifton Large Cap - Net	(0.41%)	7.10%	17.24%	17.37%	-
S&P 500 Index	0.28%	7.42%	17.31%	17.34%	7.89%
L.A. Capital - Gross	0.29%	12.53%	18.94%	19.00%	9.95%
L.A. Capital - Net	0.24%	12.32%	18.71%	18.76%	9.74%
Russell 1000 Growth Index	0.12%	10.56%	17.99%	18.59%	9.10%
L.A. Capital Enhanced - Gross	(0.27%)	8.45%	17.90%	17.94%	9.37%
L.A. Capital Enhanced - Net	(0.31%)	8.31%	17.75%	17.74%	9.20%
Russell 1000 Index	0.11%	7.37%	17.73%	17.58%	8.13%
LSV Asset Management - Gross	1.00%	7.16%	22.14%	18.93%	8.75%
LSV Asset Management - Net	0.93%	6.87%	21.81%	18.58%	8.42%
Russell 1000 Value Index	0.11%	4.13%	17.34%	16.50%	7.05%
Small Cap Equity					
Gross	0.45%	7.47%	19.75%	18.45%	9.06%
Net	0.43%	7.23%	19.34%	17.82%	8.58%
Russell 2000 Index	0.42%	6.49%	17.81%	17.08%	8.40%
Parametric Clifton Small Cap - Gross	0.63%	8.24%	19.20%	18.55%	-
Parametric Clifton SmallCap - Net	0.63%	8.03%	18.80%	17.77%	-
Russell 2000 Index	0.42%	6.49%	17.81%	17.08%	8.40%
Research Affiliates - Gross	0.01%	5.51%	19.78%	18.02%	-
Research Affiliates - Net	(0.07%)	5.18%	19.34%	17.53%	-
Russell 2000	0.42%	6.49%	17.81%	17.08%	8.40%
International Equity					
Gross	2.48%	(2.11%)	14.23%	10.23%	5.70%
Net	2.39%	(2.43%)	13.80%	9.88%	5.41%
Benchmark(2)	0.62%	(4.22%)	11.97%	8.37%	4.87%
Capital Group - Gross	2.29%	(1.35%)	12.88%	9.57%	5.76%
Capital Group - Net	2.18%	(1.73%)	12.50%	9.35%	5.63%
Benchmark(2)	0.62%	(4.22%)	11.97%	8.37%	4.87%
DFA Intl Small Cap Value - Net	5.19%	(3.27%)	17.67%	12.85%	-
World ex US SC Va	2.98%	(6.50%)	14.05%	10.60%	6.79%
LSV Asset Management - Gross	1.81%	(3.33%)	14.09%	9.55%	4.72%
LSV Asset Management - Net	1.69%	(3.73%)	13.60%	9.13%	4.39%
Benchmark(2)	0.62%	(4.22%)	11.97%	8.37%	4.87%
Vanguard Intl Explorer Fund - Net	3.17%	0.57%	16.29%	11.80%	7.31%
BMI, EPAC, <\$2 B	5.97%	1.14%	14.70%	11.08%	6.58%

(1) S&P 500 Index through 12/31/2011 and Russell 1000 Index thereafter.

(2) MSCI EAFE through 9/30/2000; 50% Hedged EAFE through 3/31/2011 and MSCI EAFE again thereafter.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2015. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended June 30, 2015

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Fixed Income					
Gross	(1.57%)	2.40%	5.00%	6.51%	5.88%
Net	(1.60%)	2.27%	4.83%	6.34%	5.70%
Barclays Aggregate Index	(1.68%)	1.86%	1.83%	3.35%	4.44%
Declaration Total Return - Net	0.09%	3.55%	-	-	-
Libor-3 Month	0.07%	0.25%	0.28%	0.33%	1.84%
PIMCO DiSCO II - Net	1.63%	4.32%	15.85%	-	-
PIMCO Bravo II Fund - Net	5.14%	10.36%	-	-	-
Barclays Aggregate Index	(1.68%)	1.86%	1.83%	3.35%	4.44%
Prudential - Gross	(1.79%)	2.32%	3.67%	5.72%	-
Prudential - Net	(1.85%)	2.05%	3.41%	5.56%	-
Barclays Aggregate Index	(1.68%)	1.86%	1.83%	3.35%	4.44%
Wells Capital - Gross	(2.97%)	0.96%	4.65%	6.61%	6.77%
Wells Capital - Net	(3.02%)	0.78%	4.44%	6.39%	6.54%
Barclays Baa Credit 3%	(3.22%)	0.07%	3.68%	5.82%	5.92%
Western Asset - Gross	(1.47%)	2.77%	3.68%	5.54%	5.33%
Western Asset - Net	(1.51%)	2.62%	3.52%	5.37%	5.14%
Barclays Aggregate	(1.68%)	1.86%	1.83%	3.35%	4.44%
SSgA US Govt Cr Bd Idx - Gross	(2.10%)	1.70%	-	-	-
SSgA US Govt Cr Bd Idx - Net	(2.12%)	1.66%	-	-	-
Barclays Govt/Credit Bd	(2.10%)	1.69%	1.76%	3.52%	4.38%
Diversified Real Assets					
Gross	(0.95%)	(0.56%)	3.45%	4.60%	3.70%
Net	(1.04%)	(0.82%)	3.13%	4.25%	3.44%
Weighted Benchmark	0.58%	(1.22%)	2.58%	5.30%	4.31%
Western TIPS - Gross	(0.61%)	(2.91%)	1.14%	3.97%	3.46%
Western TIPS - Net	(0.64%)	(3.04%)	0.98%	3.80%	3.31%
Barclays Gbl Infltn-Linked(1)	0.15%	(4.23%)	1.52%	4.65%	3.99%
JP Morgan Infrastructure - Gross	(3.34%)	(0.10%)	6.70%	6.33%	-
JP Morgan Infrastructure - Net	(3.61%)	(1.04%)	5.55%	5.12%	-
CPI-W	1.19%	(0.38%)	1.13%	1.80%	2.09%
Eastern Timber Opportunities - Net	1.26%	4.42%	5.85%	3.75%	-
NCREIF Timberland Index	0.51%	10.02%	9.77%	6.10%	7.96%
Grosvenor Cust. Infrastructure - Net	0.22%	5.37%	9.19%	-	-
CPI-W	1.19%	(0.38%)	1.13%	1.80%	2.09%

(1) Barclays US TIPS through 12/31/2009 and Barclays Global Inflation-Linked thereafter.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2015. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended June 30, 2015

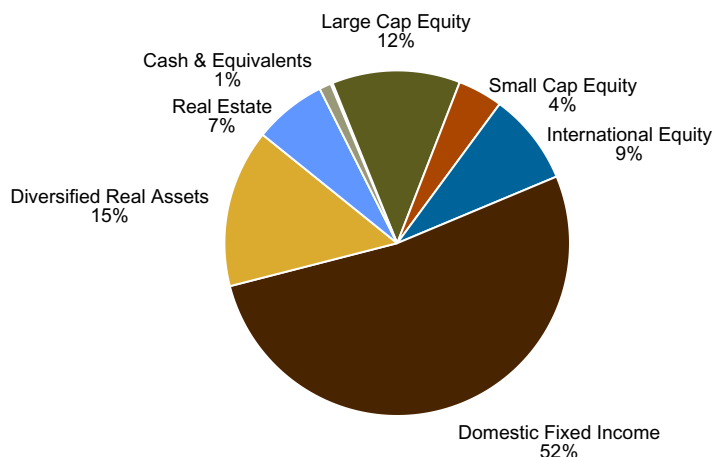
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Real Estate					
Gross	5.67%	16.36%	15.43%	19.26%	-
Net	5.45%	15.50%	14.35%	18.09%	-
NCREIF Total Index	3.14%	12.98%	11.63%	12.72%	8.16%
Invesco Core Real Estate - Gross	5.26%	16.38%	-	-	-
Invesco Core Real Estate - Net	5.16%	15.97%	-	-	-
NCREIF Total Index	3.14%	12.98%	11.63%	12.72%	8.16%
JP Morgan - Gross	6.03%	16.68%	16.77%	20.09%	-
JP Morgan - Net	5.71%	15.44%	15.28%	18.67%	-
NCREIF Total Index	3.14%	12.98%	11.63%	12.72%	8.16%
Short Term Fixed Income					
Gross	0.28%	1.76%	1.69%	1.89%	-
Net	0.29%	1.61%	1.58%	1.80%	-
Barclays Gov 1-3 Yr	0.15%	0.91%	0.68%	0.85%	2.60%
Babson Short Term Bonds - Gross	0.53%	2.55%	2.28%	-	-
Babson Short Term Bonds - Net	0.54%	2.43%	2.14%	-	-
Barclays Gov 1-3 Yr	0.15%	0.91%	0.68%	0.85%	2.60%
JP Morgan Short Term Bds - Gross	0.12%	1.11%	1.08%	-	-
JP Morgan Short Term Bds - Net	0.12%	1.01%	0.99%	-	-
Barclays Gov/Credit 1-3 Y	0.13%	0.93%	0.94%	1.17%	2.83%
Cash & Equivalents - Net	0.00%	0.01%	0.10%	0.17%	1.54%
Cash Account- Net	0.00%	0.01%	0.10%	0.17%	1.54%
90 Day Treasury Bills	0.01%	0.02%	0.06%	0.08%	1.42%
Total Fund					
Gross	(0.32%)	2.61%	5.68%	6.79%	4.92%
Net	(0.36%)	2.39%	5.46%	6.55%	4.68%
Target*	(0.32%)	2.03%	4.01%	5.22%	4.68%

* Current Quarter Target = 42.9% Barclays Aggregate Index, 19.3% Barclays Gov 1-3 Yr, 11.0% NDSIB INS DRA Weighted Benchmark, 9.4% Russell 1000 Index, 6.9% MSCI EAFE Index, 4.3% NCREIF Total Index, 3.2% Russell 2000 Index and 3.0% 3-month Treasury Bill.

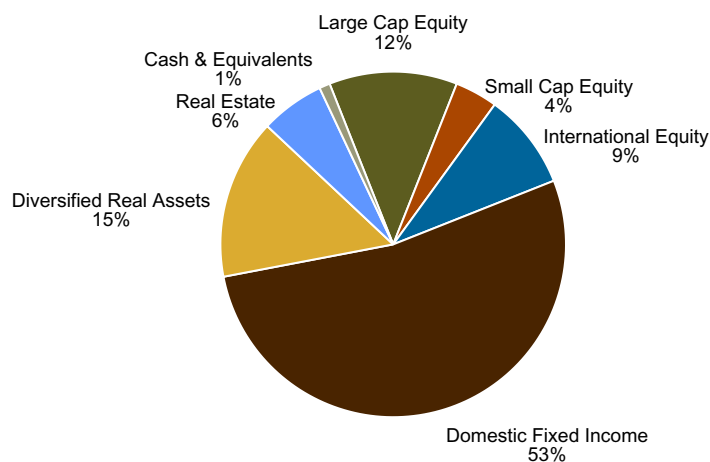
Actual vs Target Asset Allocation As of June 30, 2015

The first chart below shows the Fund's asset allocation as of June 30, 2015. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



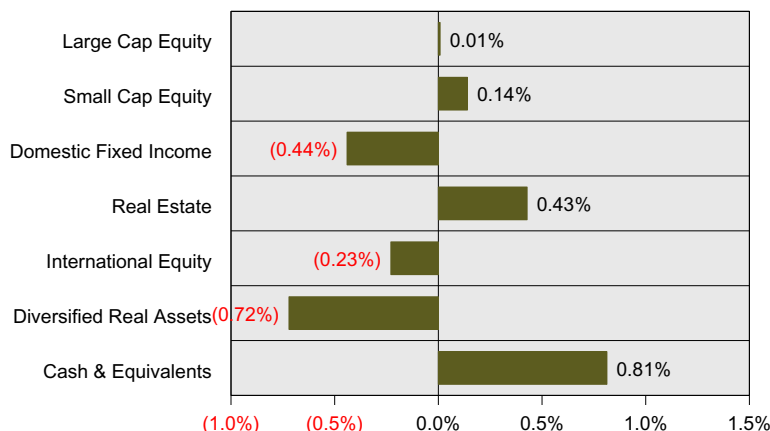
Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	212,185	12.0%	12.0%	0.0%	678
Small Cap Equity	74,728	4.2%	4.0%	0.2%	4,226
International Equity	152,260	8.6%	9.0%	(0.4%)	(6,371)
Domestic Fixed Income	922,356	52.3%	53.0%	(0.7%)	(11,801)
Diversified Real Assets	261,500	14.8%	15.0%	(0.2%)	(2,884)
Real Estate	119,711	6.8%	6.0%	0.8%	13,958
Cash & Equivalents	19,821	1.1%	1.0%	0.1%	2,195
Total	1,762,560	100.0%	100.0%		

* Current Quarter Target = 53.0% Barclays Aggregate Index, 15.0% NDSIB WSI DRA Weighted Benchmark, 12.0% Russell 1000 Index, 9.0% MSCI EAFE Index, 6.0% NCREIF Total Index, 4.0% Russell 2000 Index and 1.0% 3-month Treasury Bill.

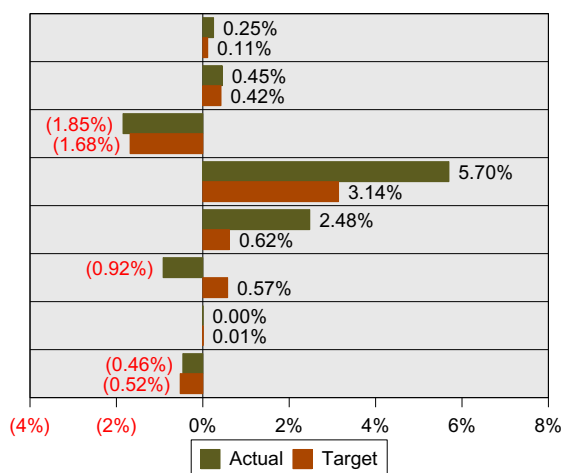
Quarterly Total Fund Relative Attribution - June 30, 2015

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

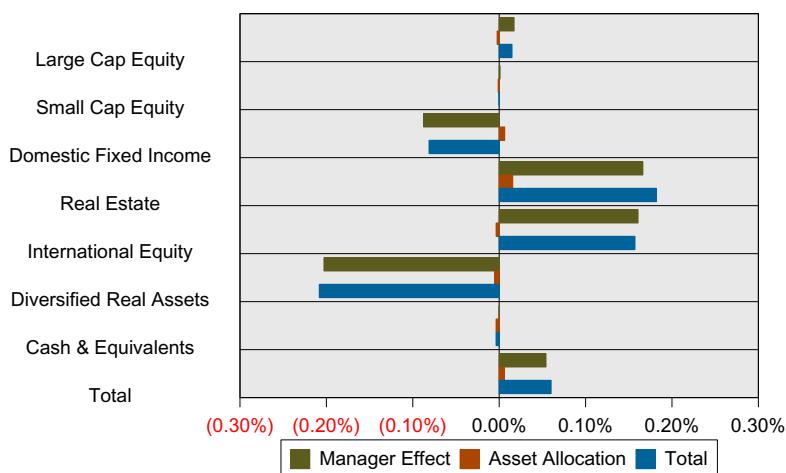
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended June 30, 2015

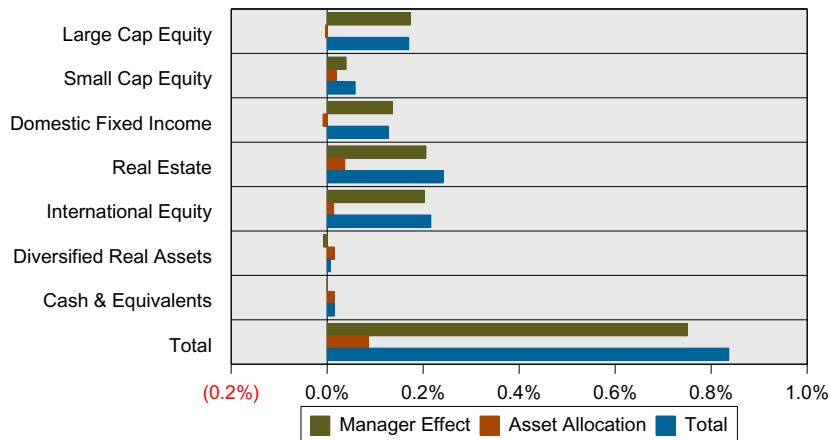
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	12%	12%	0.25%	0.11%	0.02%	(0.00%)	0.01%
Small Cap Equity	4%	4%	0.45%	0.42%	0.00%	(0.00%)	(0.00%)
Domestic Fixed Income	53%	53%	(1.85%)	(1.68%)	(0.09%)	0.01%	(0.08%)
Real Estate	6%	6%	5.70%	3.14%	0.17%	0.02%	0.18%
International Equity	9%	9%	2.48%	0.62%	0.16%	(0.00%)	0.16%
Diversified Real Assets	14%	15%	(0.92%)	0.57%	(0.20%)	(0.01%)	(0.21%)
Cash & Equivalents	2%	1%	0.00%	0.01%	(0.00%)	(0.00%)	(0.00%)
Total			(0.46%)	(0.52%)	0.05%	0.01%	0.06%

* Current Quarter Target = 53.0% Barclays Aggregate Index, 15.0% NDSIB WSI DRA Weighted Benchmark, 12.0% Russell 1000 Index, 9.0% MSCI EAFE Index, 6.0% NCREIF Total Index, 4.0% Russell 2000 Index and 1.0% 3-month Treasury Bill.

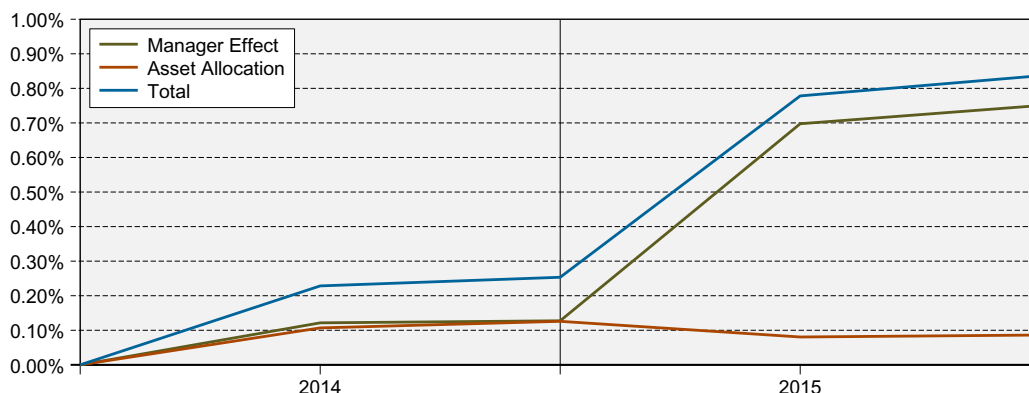
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

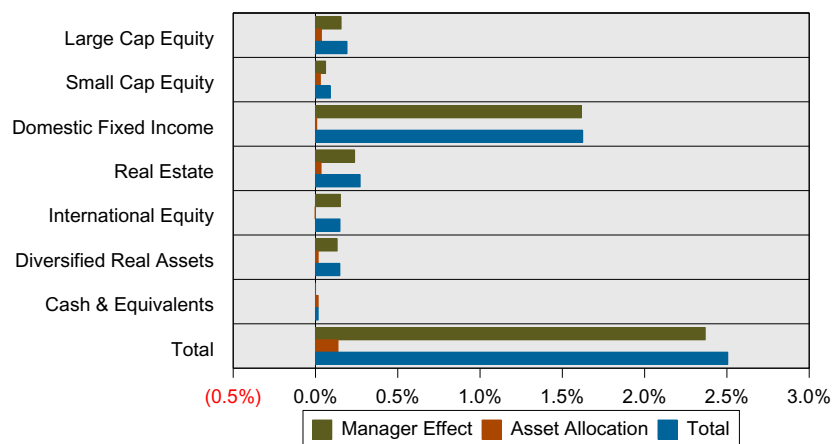
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	12%	12%	8.93%	7.37%	0.17%	(0.00%)	0.17%
Small Cap Equity	4%	4%	7.49%	6.49%	0.04%	0.02%	0.06%
Domestic Fixed Income	53%	53%	2.11%	1.86%	0.14%	(0.01%)	0.13%
Real Estate	6%	6%	16.37%	12.98%	0.21%	0.04%	0.24%
International Equity	9%	9%	(2.11%)	(4.22%)	0.20%	0.01%	0.22%
Diversified Real Assets	15%	15%	0.27%	0.49%	(0.01%)	0.01%	0.01%
Cash & Equivalents	1%	1%	0.01%	0.02%	(0.00%)	0.01%	0.01%
Total			3.49%	2.66%	+ 0.75%	+ 0.09%	0.84%

* Current Quarter Target = 53.0% Barclays Aggregate Index, 15.0% NDSIB WSI DRA Weighted Benchmark, 12.0% Russell 1000 Index, 9.0% MSCI EAFE Index, 6.0% NCREIF Total Index, 4.0% Russell 2000 Index and 1.0% 3-month Treasury Bill.

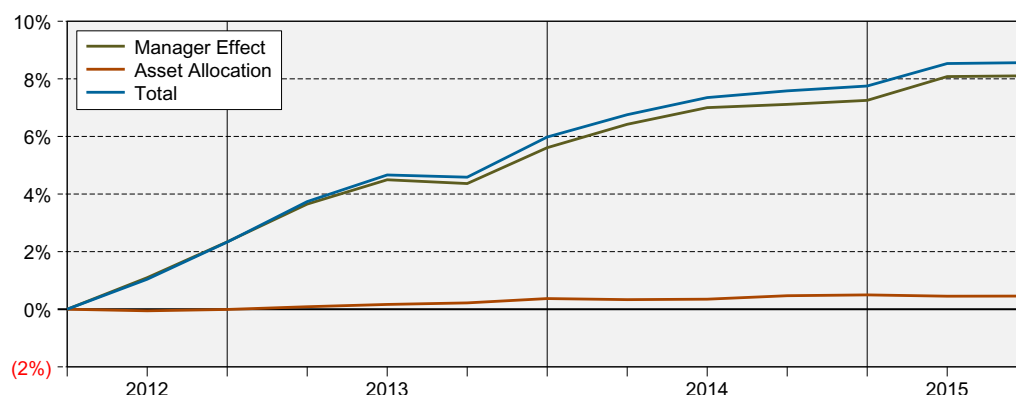
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Three Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Three Year Annualized Relative Attribution Effects

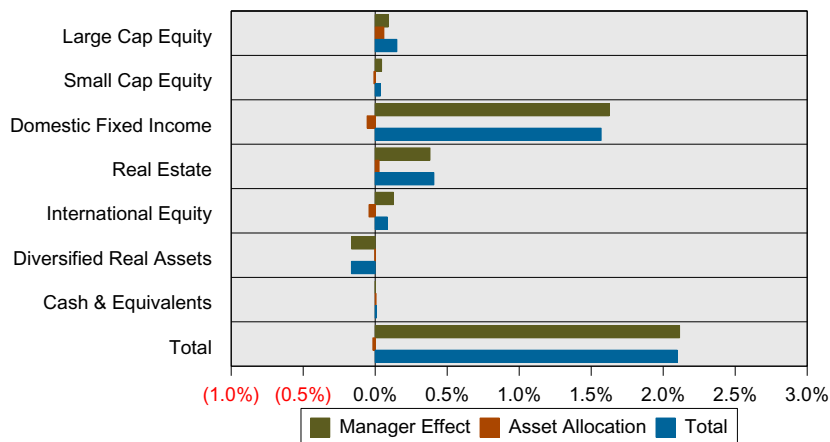
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	11%	10%	19.33%	17.73%	0.16%	0.04%	0.19%
Small Cap Equity	4%	3%	19.77%	17.81%	0.06%	0.03%	0.09%
Domestic Fixed Income	51%	52%	4.91%	1.83%	1.62%	0.01%	1.62%
Real Estate	6%	6%	15.40%	11.63%	0.24%	0.03%	0.27%
International Equity	8%	8%	14.04%	11.97%	0.15%	(0.00%)	0.15%
Diversified Real Assets	19%	20%	3.74%	3.17%	0.13%	0.02%	0.15%
Cash & Equivalents	1%	1%	0.10%	0.06%	0.00%	0.02%	0.02%
Total			7.99%	5.48%	+ 2.37%	+ 0.14%	2.51%

* Current Quarter Target = 53.0% Barclays Aggregate Index, 15.0% NDSIB WSI DRA Weighted Benchmark, 12.0% Russell 1000 Index, 9.0% MSCI EAFE Index, 6.0% NCREIF Total Index, 4.0% Russell 2000 Index and 1.0% 3-month Treasury Bill.

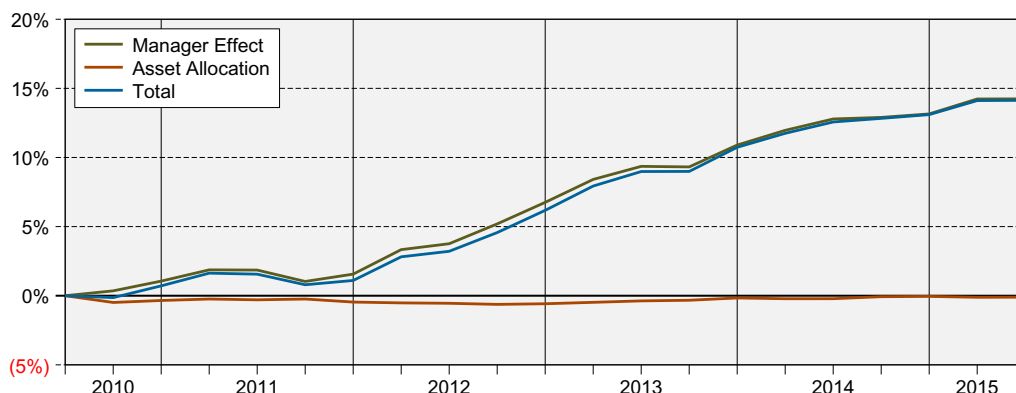
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Five Year Annualized Relative Attribution Effects



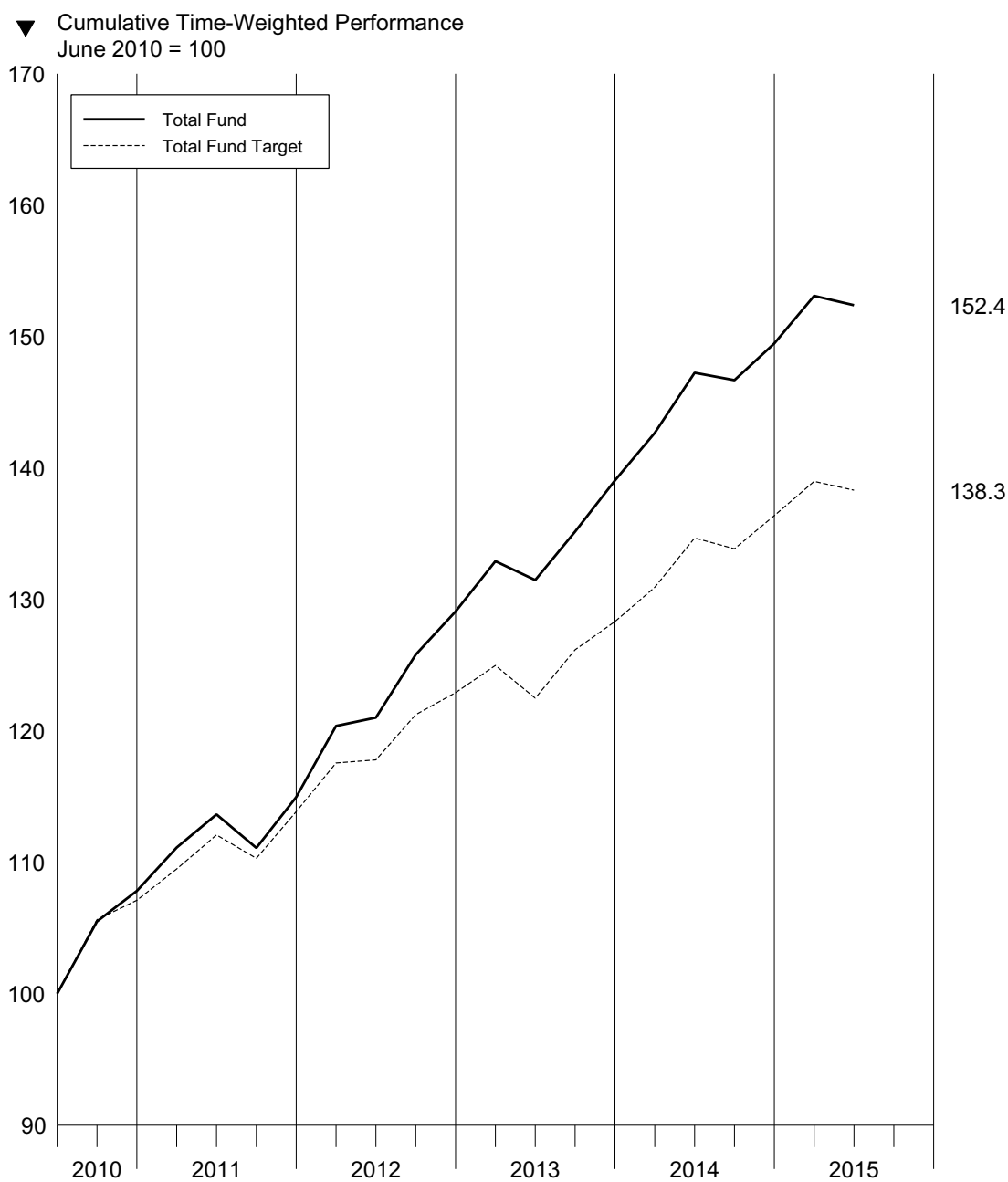
Cumulative Relative Attribution Effects



Five Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	11%	10%	18.46%	17.58%	0.09%	0.06%	0.15%
Small Cap Equity	4%	3%	18.47%	17.08%	0.04%	(0.01%)	0.04%
Domestic Fixed Income	51%	51%	6.44%	3.35%	1.63%	(0.06%)	1.57%
Real Estate	6%	6%	19.24%	12.72%	0.38%	0.03%	0.41%
International Equity	7%	7%	10.06%	8.37%	0.13%	(0.04%)	0.08%
Diversified Real Assets	20%	21%	4.77%	5.67%	(0.16%)	(0.00%)	(0.16%)
Cash & Equivalents	1%	1%	0.17%	0.08%	0.00%	0.01%	0.01%
Total			8.79%	6.69%	+ 2.11%	(0.02%)	2.10%

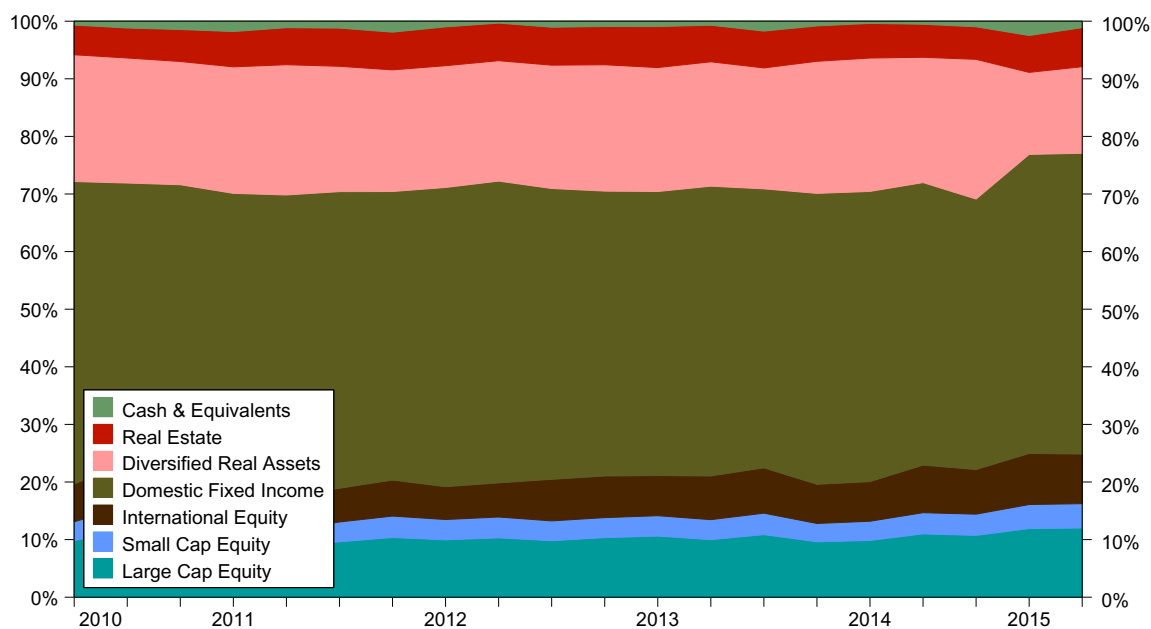
* Current Quarter Target = 53.0% Barclays Aggregate Index, 15.0% NDSIB WSI DRA Weighted Benchmark, 12.0% Russell 1000 Index, 9.0% MSCI EAFE Index, 6.0% NCREIF Total Index, 4.0% Russell 2000 Index and 1.0% 3-month Treasury Bill.



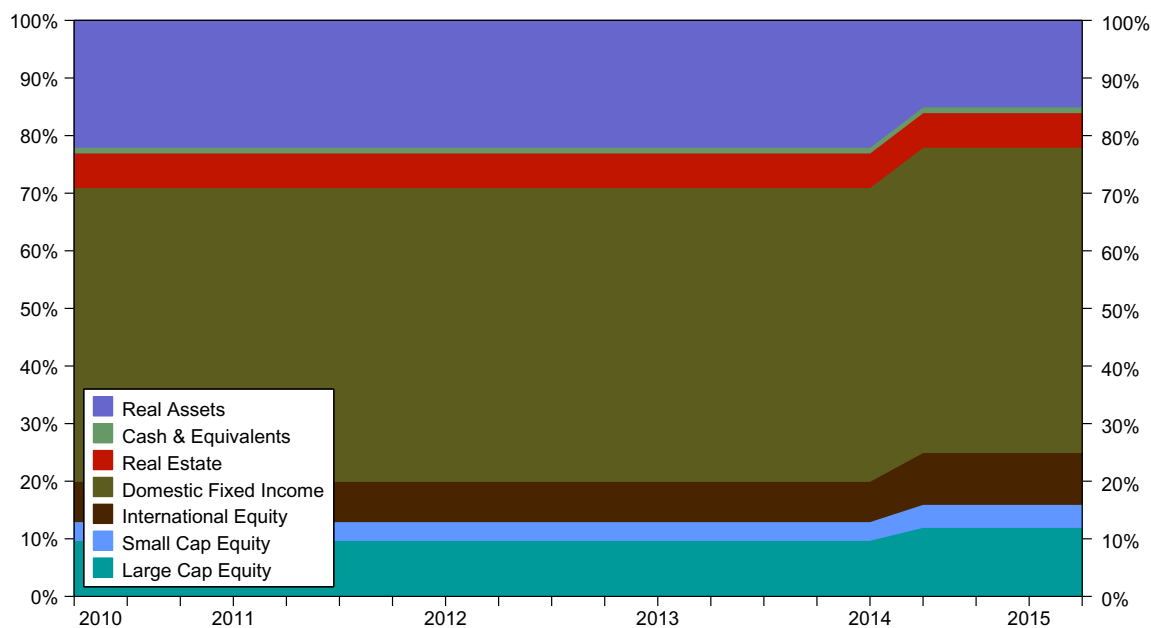
Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, and the fund's historical target asset allocation.

Actual Historical Asset Allocation



Target Historical Asset Allocation

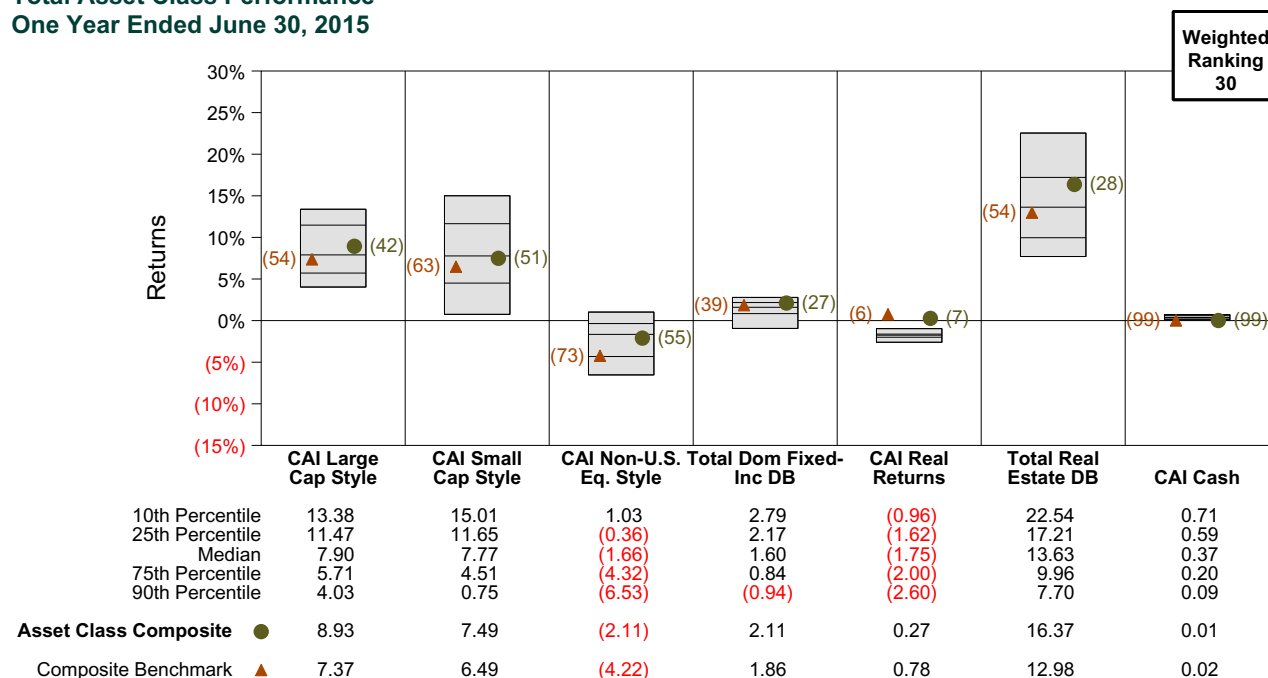


* Current Quarter Target = 53.0% Barclays Aggregate Index, 15.0% NDSIB WSI DRA Weighted Benchmark, 12.0% Russell 1000 Index, 9.0% MSCI EAFE Index, 6.0% NCREIF Total Index, 4.0% Russell 2000 Index and 1.0% 3-month Treasury Bill.

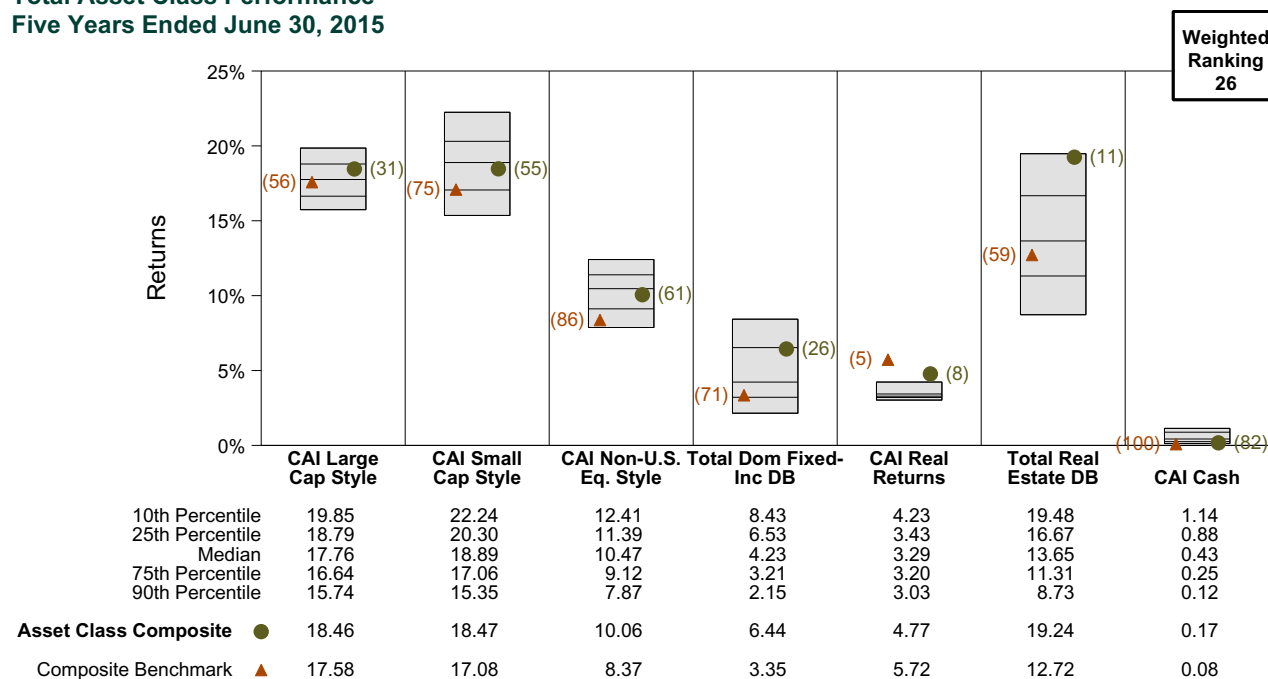
Asset Class Rankings

The charts below show the rankings of each asset class component of the Total Fund relative to appropriate comparative databases. In the upper right corner of each graph is the weighted average of the rankings across the different asset classes. The weights of the fund's actual asset allocation are used to make this calculation. The weighted average ranking can be viewed as a measure of the fund's overall success in picking managers and structuring asset classes.

Total Asset Class Performance One Year Ended June 30, 2015



Total Asset Class Performance Five Years Ended June 30, 2015



* Current Quarter Target = 53.0% Barclays Aggregate Index, 15.0% NDSIB WSI DRA Weighted Benchmark, 12.0% Russell 1000 Index, 9.0% MSCI EAFE Index, 6.0% NCREIF Total Index, 4.0% Russell 2000 Index and 1.0% 3-month Treasury Bill.

Asset Class Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Class Allocation

	June 30, 2015				March 31, 2015	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Large Cap Equity	\$212,185,488	12.04%	\$349,836	\$531,226	\$211,304,426	11.94%
Small Cap Equity	\$74,728,013	4.24%	\$205,589	\$328,449	\$74,193,975	4.19%
International Equity	\$152,259,577	8.64%	\$(9,055,309)	\$3,977,610	\$157,337,276	8.89%
Domestic Fixed Income	\$922,355,515	52.33%	\$18,244,177	\$(17,297,387)	\$921,408,725	52.04%
Diversified Real Assets	\$261,499,609	14.84%	\$15,186,805	\$(2,208,034)	\$248,520,839	14.04%
Real Estate	\$119,711,411	6.79%	\$(244,948)	\$6,463,558	\$113,492,800	6.41%
Cash & Equivalents	\$19,820,514	1.12%	\$(24,332,127)	\$795	\$44,151,846	2.49%
Total Fund	\$1,762,560,127	100.0%	\$354,023	\$(8,203,783)	\$1,770,409,886	100.0%

PLEASE REFER TO PAGE 36 FOR INVESTMENT MANAGER LEVEL ASSET ALLOCATION.

Asset Class Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2015. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended June 30, 2015

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Large Cap Equity				
Gross	0.25%	8.93%	19.33%	18.46%
Net	0.21%	8.74%	19.11%	18.18%
Benchmark(1)	0.11%	7.37%	17.73%	17.57%
Small Cap Equity				
Gross	0.45%	7.49%	19.77%	18.47%
Net	0.43%	7.25%	19.37%	17.83%
Russell 2000	0.42%	6.49%	17.81%	17.08%
International Equity				
Gross	2.48%	(2.11%)	14.04%	10.06%
Net	2.38%	(2.42%)	13.65%	9.65%
Benchmark(2)	0.62%	(4.22%)	11.97%	8.37%
Domestic Fixed Income				
Gross	(1.85%)	2.11%	4.91%	6.44%
Net	(1.88%)	1.97%	4.74%	6.26%
Barclays Aggregate	(1.68%)	1.86%	1.83%	3.35%
Diversified Real Assets				
Gross	(0.92%)	0.27%	3.74%	4.77%
Net	(1.01%)	(0.07%)	3.39%	4.41%
Weighted Benchmark	0.57%	0.49%	3.17%	5.67%
Real Estate				
Gross	5.70%	16.37%	15.40%	19.24%
Net	5.48%	15.53%	14.35%	18.09%
NCREIF Total Index	3.14%	12.98%	11.63%	12.72%
Cash & Equivalents - Net	0.00%	0.01%	0.10%	0.17%
90 Day Treasury Bills	0.01%	0.02%	0.06%	0.08%
Total Fund				
Gross	(0.46%)	3.49%	7.99%	8.79%
Net	(0.52%)	3.26%	7.71%	8.48%
Target*	(0.52%)	2.66%	5.48%	6.69%

* Current Quarter Target = 53.0% Barclays Aggregate Index, 15.0% NDSIB WSI DRA Weighted Benchmark, 12.0% Russell 1000 Index, 9.0% MSCI EAFE Index, 6.0% NCREIF Total Index, 4.0% Russell 2000 Index and 1.0% 3-month Treasury Bill.

(1) S&P 500 Index through 12/31/2011 and Russell 1000 Index thereafter.

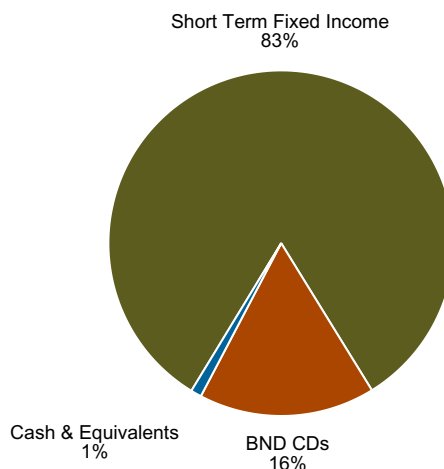
(2) MSCI EAFE through 9/30/2000; 50% Hedged EAFE through 3/31/2011 and MSCI EAFE again thereafter.

PLEASE REFER TO PAGE 37-39 FOR INVESTMENT MANAGER LEVEL RETURNS.

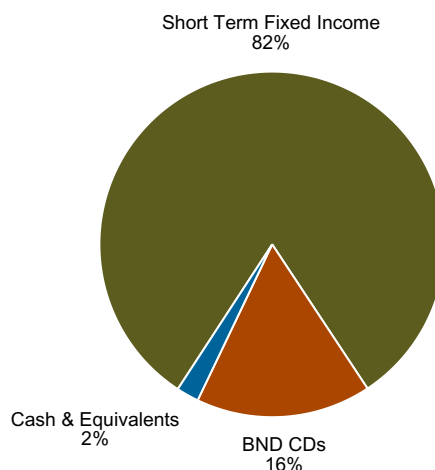
Actual vs Target Asset Allocation As of June 30, 2015

The first chart below shows the Fund's asset allocation as of June 30, 2015. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



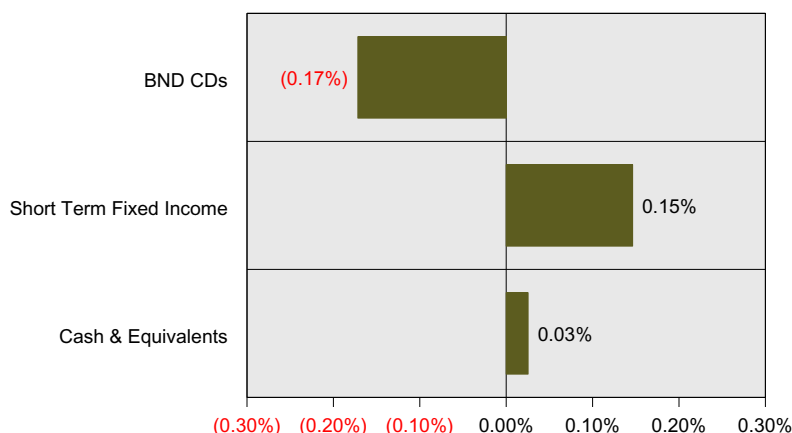
Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Short Term Fixed Income	473,649	82.5%	81.5%	1.0%	5,772
BND CDs	94,538	16.5%	16.4%	0.1%	343
Cash & Equivalents	5,824	1.0%	2.1%	(1.1%)	(6,115)
Total	574,011	100.0%	100.0%		

* Current Quarter Target = 81.5% Barclays Gov 1-3 Yr, 16.4% 3-month Treasury Bill and 2.1% 3-month Treasury Bill.

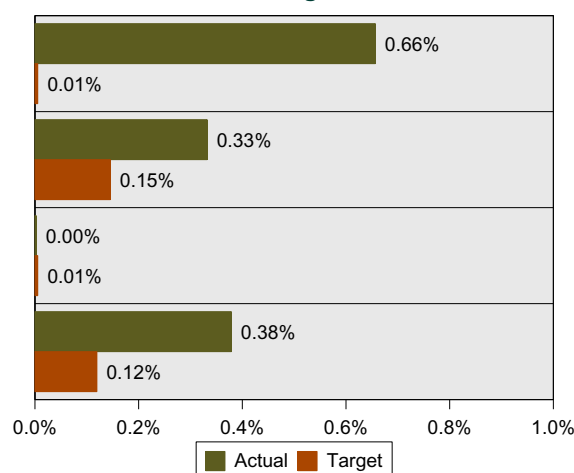
Quarterly Total Fund Relative Attribution - June 30, 2015

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

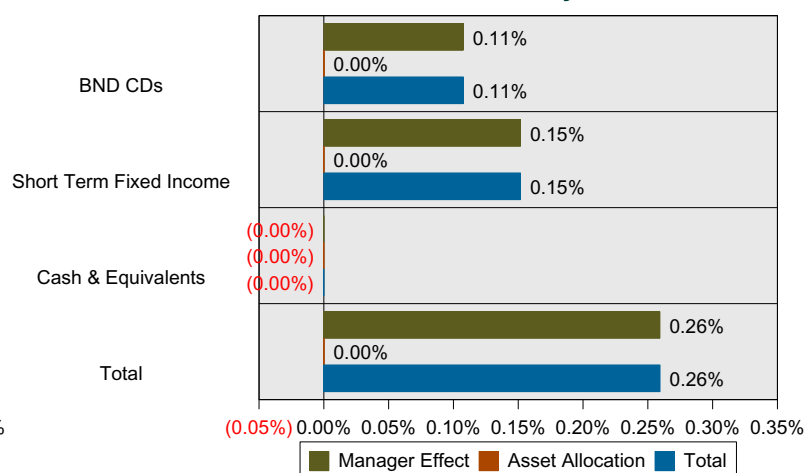
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended June 30, 2015

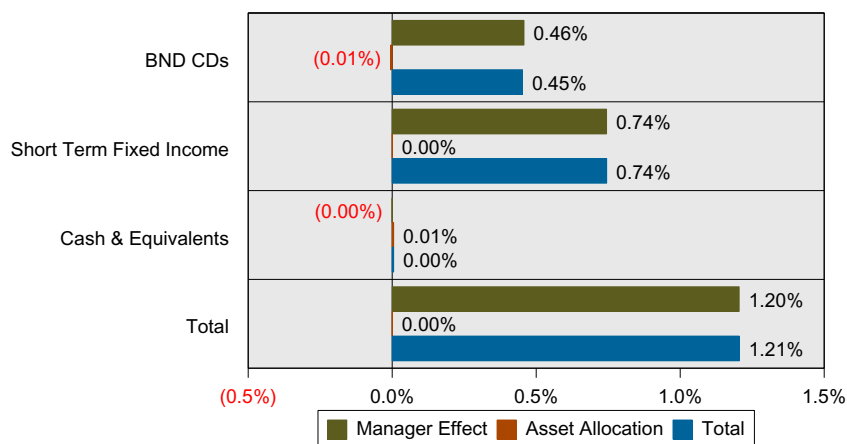
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
BND CDs	17%	17%	0.66%	0.01%	0.11%	0.00%	0.11%
Short Term Fixed Income	82%	82%	0.33%	0.15%	0.15%	0.00%	0.15%
Cash & Equivalents	2%	2%	0.00%	0.01%	(0.00%)	(0.00%)	(0.00%)
Total			0.38%	0.12%	0.26%	0.00%	0.26%

* Current Quarter Target = 81.5% Barclays Gov 1-3 Yr, 16.4% 3-month Treasury Bill and 2.1% 3-month Treasury Bill.

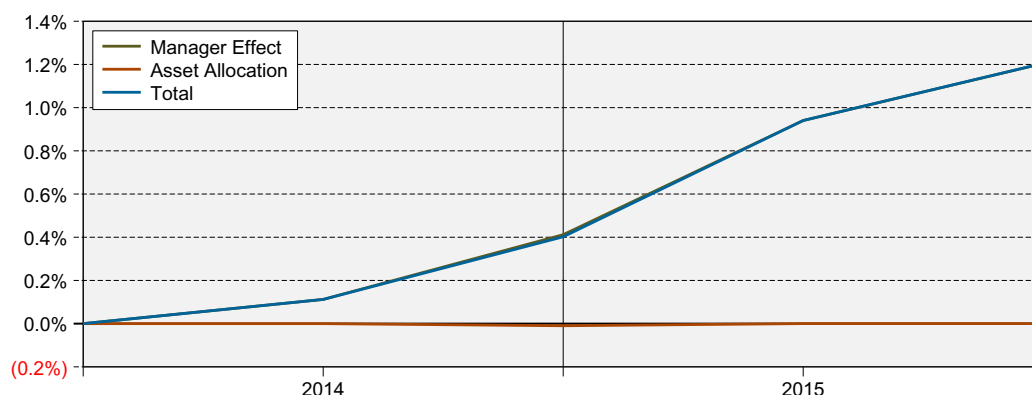
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

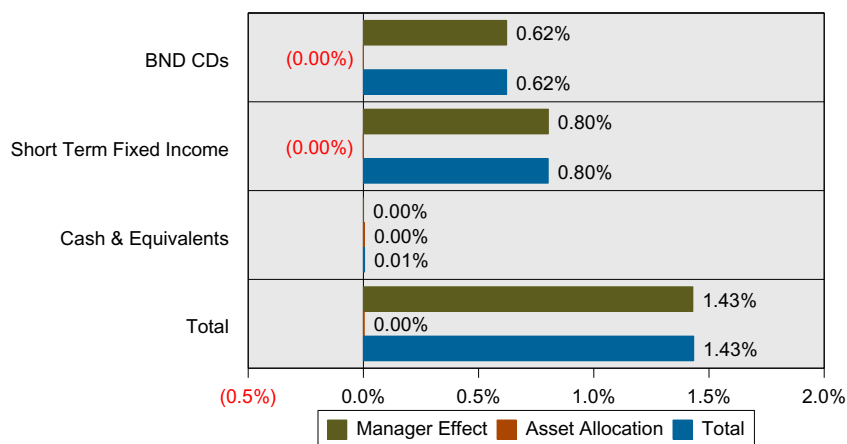
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
BND CDs	17%	17%	2.67%	0.02%	0.46%	(0.01%)	0.45%
Short Term Fixed Income	81%	81%	1.83%	0.91%	0.74%	0.00%	0.74%
Cash & Equivalents	1%	1%	0.01%	0.02%	(0.00%)	0.01%	0.00%
Total			1.95%		0.74%	1.20%	0.00%

* Current Quarter Target = 81.5% Barclays Gov 1-3 Yr, 16.4% 3-month Treasury Bill and 2.1% 3-month Treasury Bill.

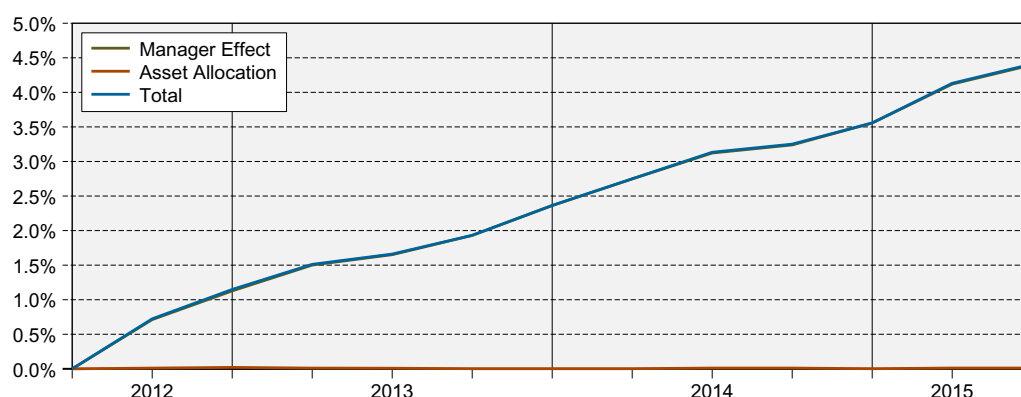
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Three Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Three Year Annualized Relative Attribution Effects

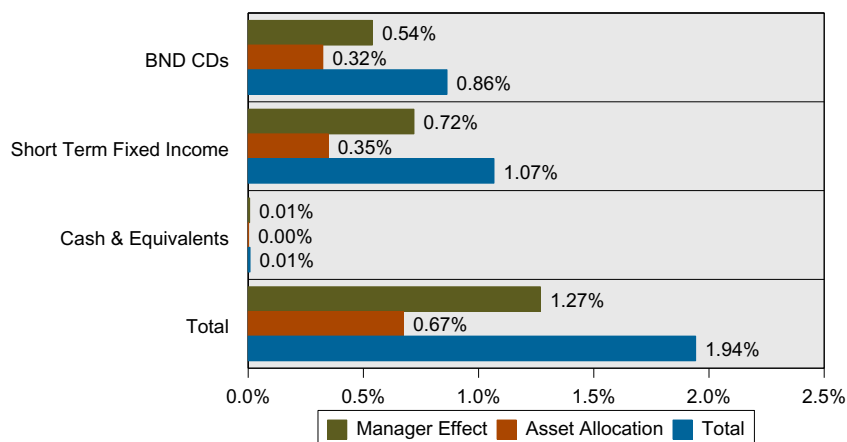
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
BND CDs	21%	21%	3.05%	0.06%	0.62%	(0.00%)	0.62%
Short Term Fixed Income	78%	77%	1.71%	0.68%	0.80%	(0.00%)	0.80%
Cash & Equivalents	2%	2%	0.10%	0.06%	0.00%	0.00%	0.01%
Total			1.98%	0.54%	1.43%	0.00%	1.43%

* Current Quarter Target = 81.5% Barclays Gov 1-3 Yr, 16.4% 3-month Treasury Bill and 2.1% 3-month Treasury Bill.

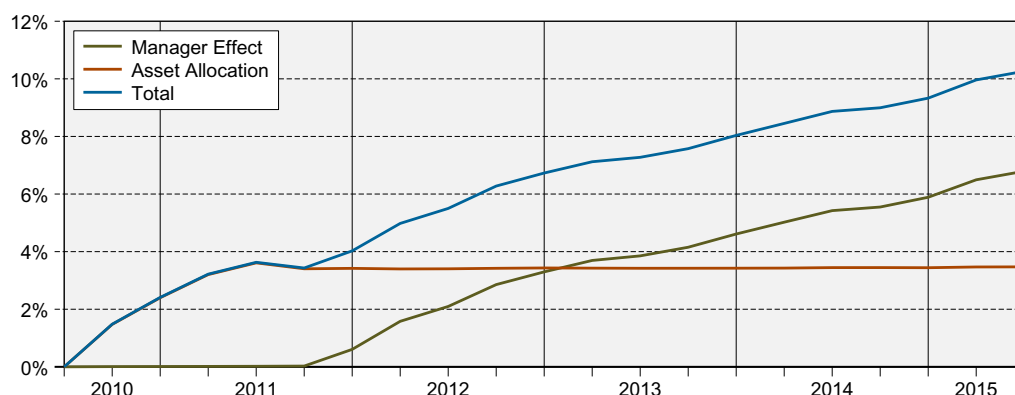
Cumulative Total Fund Relative Attribution - June 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Five Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects

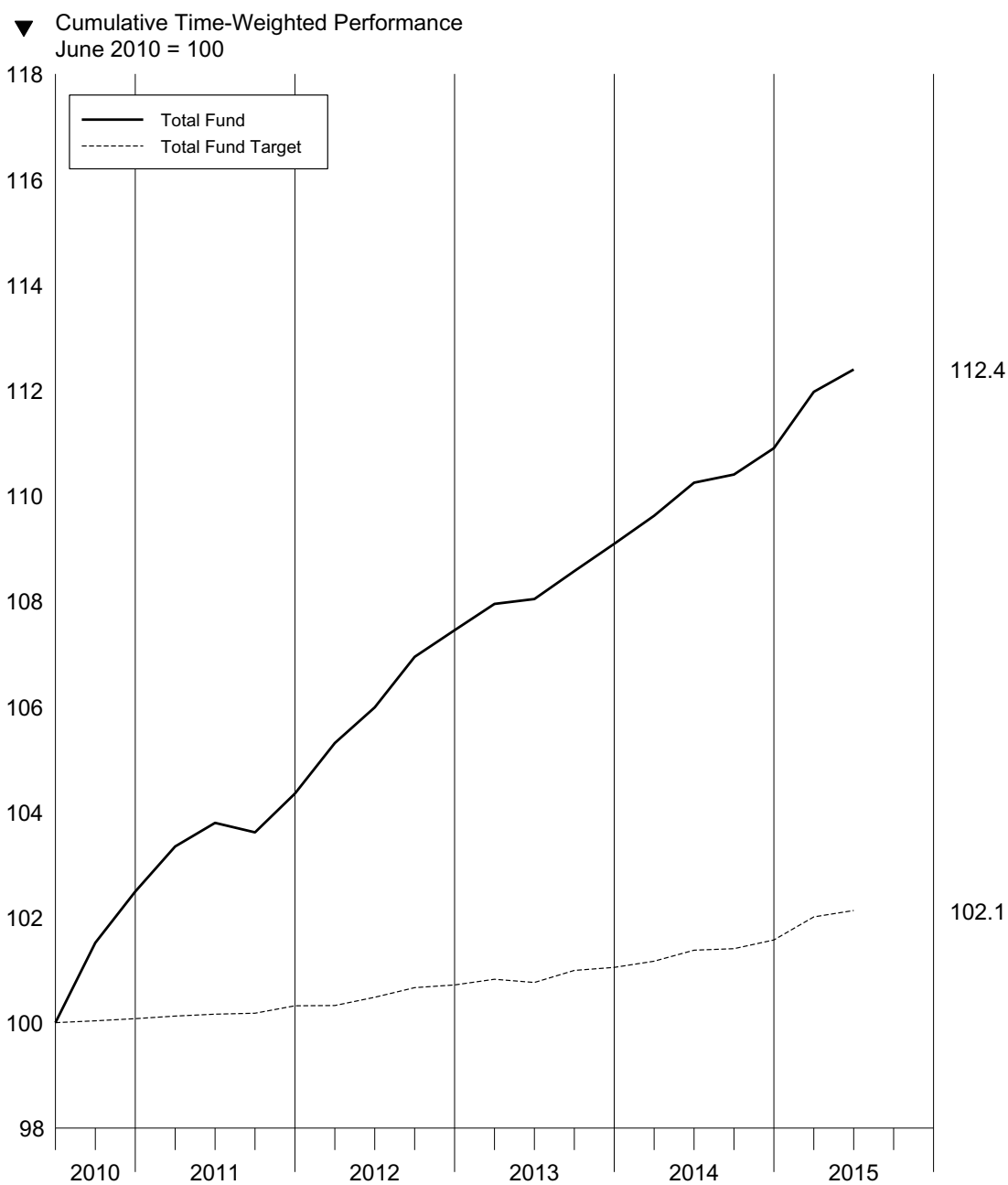


Five Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
BND CDs	24%	16%	3.59%	1.13%	0.54%	0.32%	0.86%
Short Term Fixed Income	72%	57%	2.05%	1.10%	0.72%	0.35%	1.07%
Cash & Equivalents	5%	26%	0.17%	0.08%	0.01%	0.00%	0.01%
Total			2.36%	0.42%	1.27%	0.67%	1.94%

* Current Quarter Target = 81.5% Barclays Gov 1-3 Yr, 16.4% 3-month Treasury Bill and 2.1% 3-month Treasury Bill.

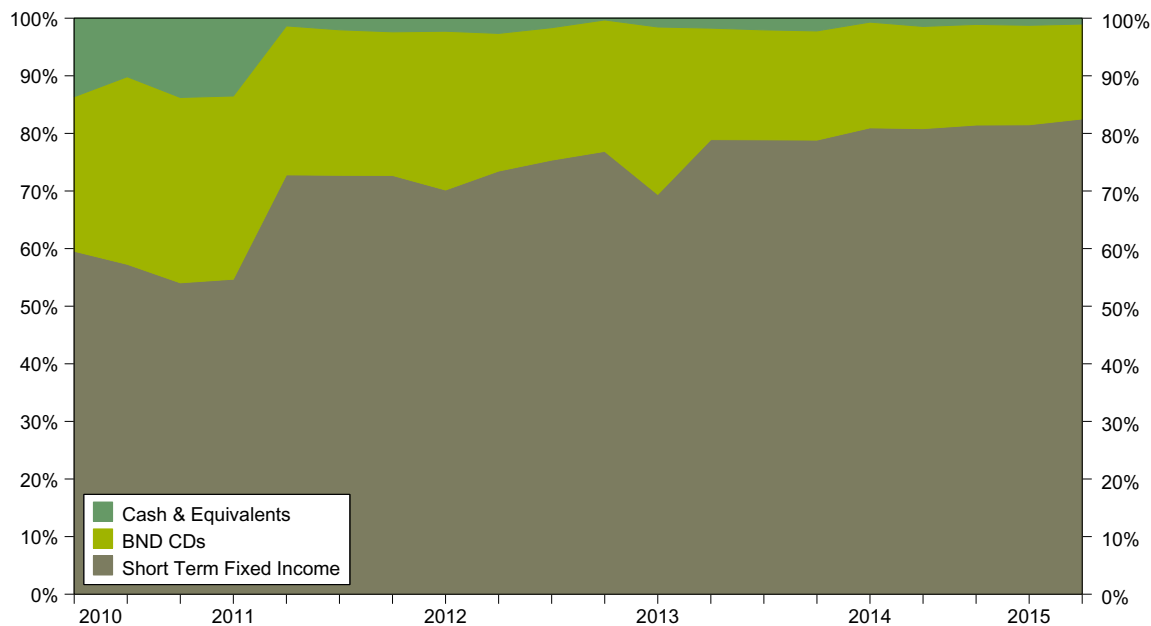
NDSIB - Budget Stabilization Fund
Cumulative Results



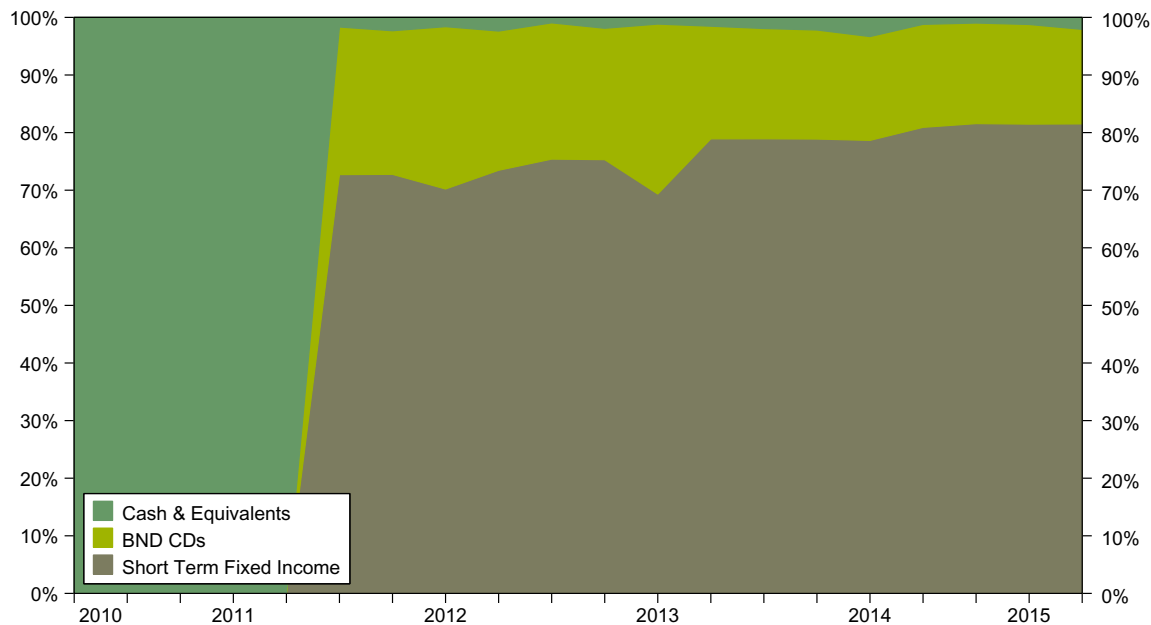
Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, and the fund's historical target asset allocation.

Actual Historical Asset Allocation



Target Historical Asset Allocation



* Current Quarter Target = 81.5% Barclays Gov 1-3 Yr, 16.4% 3-month Treasury Bill and 2.1% 3-month Treasury Bill.

Asset Class Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2015, with the distribution as of March 31, 2015. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Class Allocation

	June 30, 2015				March 31, 2015	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Short Term Fixed Income	\$473,648,888	82.52%	\$(12,998,000)	\$1,615,750	\$485,031,138	81.50%
BND CDs	\$94,538,294	16.47%	\$(8,871,437)	\$641,830	\$102,767,901	17.27%
Cash & Equivalents	\$5,823,968	1.01%	\$(1,512,978)	\$269	\$7,336,677	1.23%
Total Fund	\$574,011,150	100.0%	\$(23,382,415)	\$2,257,849	\$595,135,716	100.0%

PLEASE REFER TO PAGE 36 FOR INVESTMENT MANAGER LEVEL ASSET ALLOCATION.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2015. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended June 30, 2015

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Short Term Fixed Income				
Gross	0.33%	1.83%	1.71%	2.05%
Net	0.33%	1.72%	1.60%	1.94%
Barclays Gov 1-3 Yr	0.15%	0.91%	0.68%	0.85%
BND CDs - Net	0.66%	2.67%	3.05%	3.59%
3-month Treasury Bill	0.01%	0.02%	0.06%	0.08%
Cash & Equivalents - Net	0.00%	0.01%	0.10%	0.17%
3-month Treasury Bill	0.01%	0.02%	0.06%	0.08%
Total Fund				
Gross	0.38%	1.95%	1.98%	2.36%
Net	0.38%	1.86%	1.89%	2.29%
Target*	0.12%	0.74%	0.54%	0.42%

* Current Quarter Target = 81.5% Barclays Gov 1-3 Yr, 16.4% 3-month Treasury Bill and 2.1% 3-month Treasury Bill.

PLEASE REFER TO PAGES 37-39 FOR INVESTMENT MANAGER LEVEL RETURNS.

Parametric Clifton Large Cap Period Ended June 30, 2015

Investment Philosophy

Parametric Clifton utilizes equity futures to gain benchmark exposure in constructing the portfolio it believes provides the greatest likelihood of outperforming the index. In this construction the underlying cash portfolio is invested in a liquid, high quality short duration fixed income portfolio. Over market cycles excess return generated by the short duration portfolio, when added to the performance of futures is expected to allow the strategy to achieve 0.50% to 1.00% of gross excess annual performance.

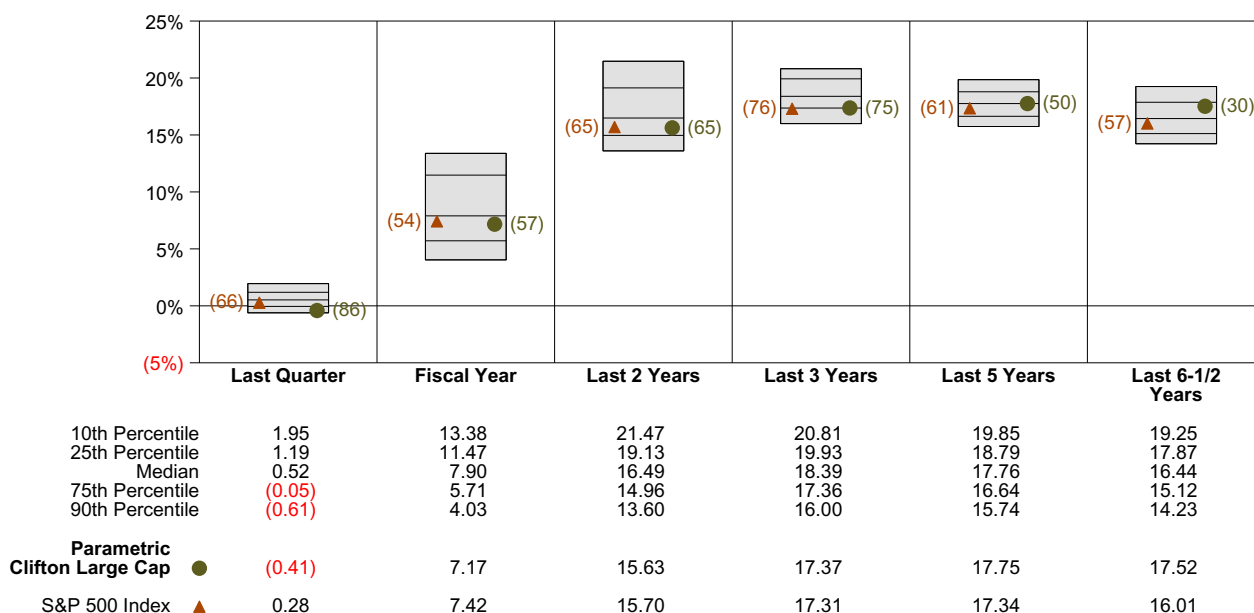
Quarterly Summary and Highlights

- Parametric Clifton Large Cap's portfolio posted a (0.41)% return for the quarter placing it in the 86 percentile of the CAI Large Capitalization Style group for the quarter and in the 57 percentile for the last year.
- Parametric Clifton Large Cap's portfolio underperformed the S&P 500 Index by 0.69% for the quarter and underperformed the S&P 500 Index for the year by 0.26%.

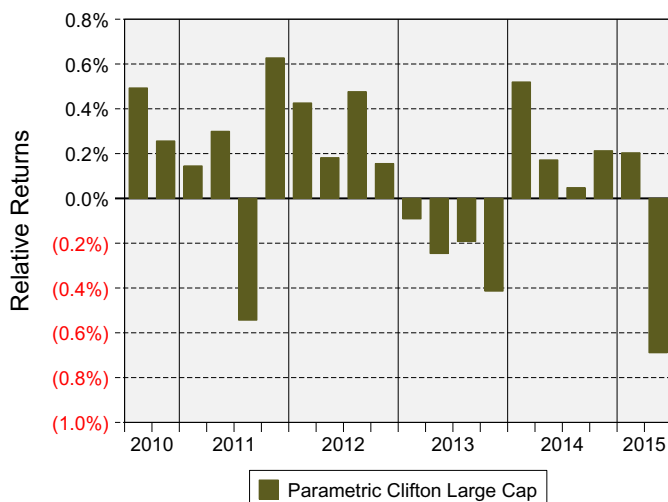
Quarterly Asset Growth

Beginning Market Value	\$185,943,000
Net New Investment	\$-141,664,264
Investment Gains/(Losses)	\$1,152,433
Ending Market Value	\$45,431,169

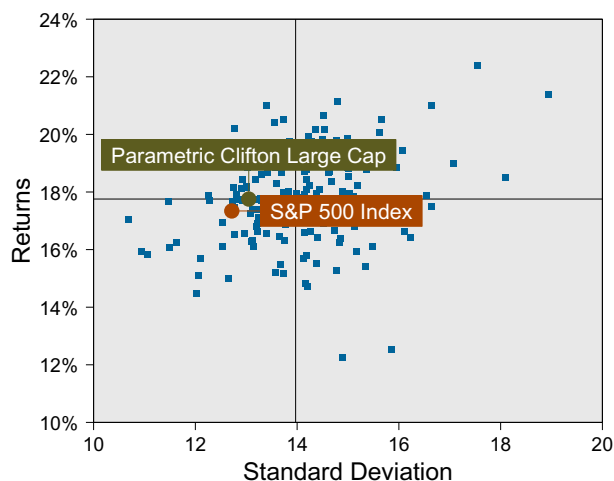
Performance vs CAI Large Capitalization Style (Gross)



Relative Return vs S&P 500 Index



CAI Large Capitalization Style (Gross) Annualized Five Year Risk vs Return



L.A. Capital Period Ended June 30, 2015

Investment Philosophy

The LA Capital Structured portfolio is a large growth portfolio benchmarked to the Russell 1000 Growth Index. It is an active assignment meaning that it targets a 2% alpha and constrains its risk budget (tracking error) to 4% relative to the benchmark. LA Capital believes that investment results are driven by Investor Preferences and thus recognize that when preferences shift a different posture related to that factor is warranted.

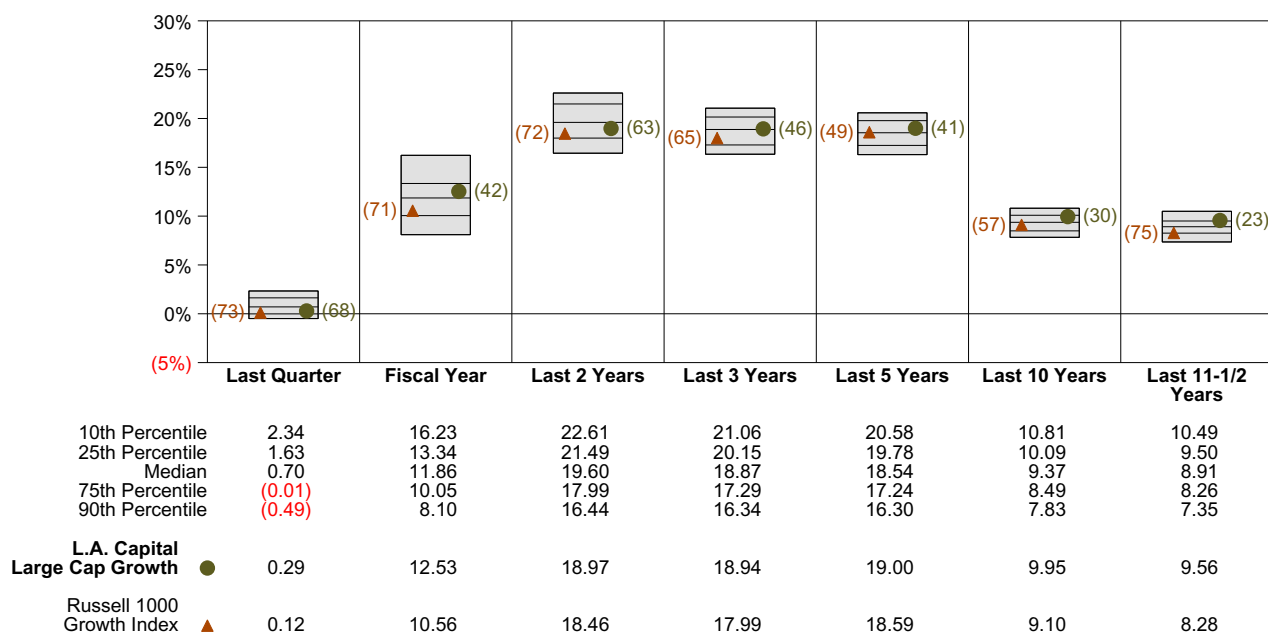
Quarterly Summary and Highlights

- L.A. Capital Large Cap Growth's portfolio posted a 0.29% return for the quarter placing it in the 68 percentile of the CAI Large Cap Growth Style group for the quarter and in the 42 percentile for the last year.
- L.A. Capital Large Cap Growth's portfolio outperformed the Russell 1000 Growth Index by 0.17% for the quarter and outperformed the Russell 1000 Growth Index for the year by 1.97%.

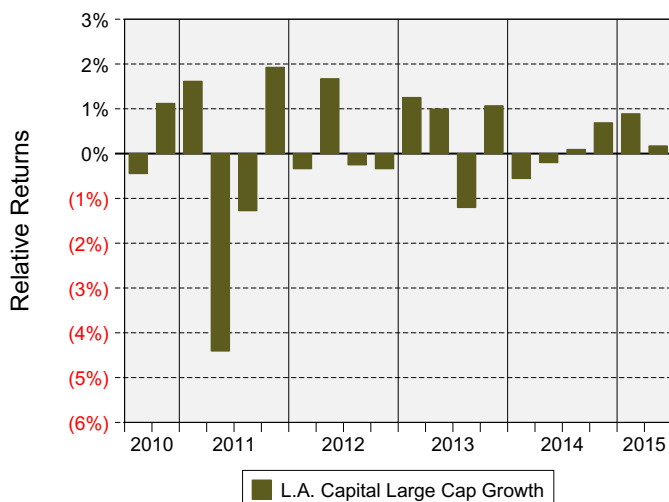
Quarterly Asset Growth

Beginning Market Value	\$284,945,407
Net New Investment	\$-213,198,145
Investment Gains/(Losses)	\$-1,674,007
Ending Market Value	\$70,073,255

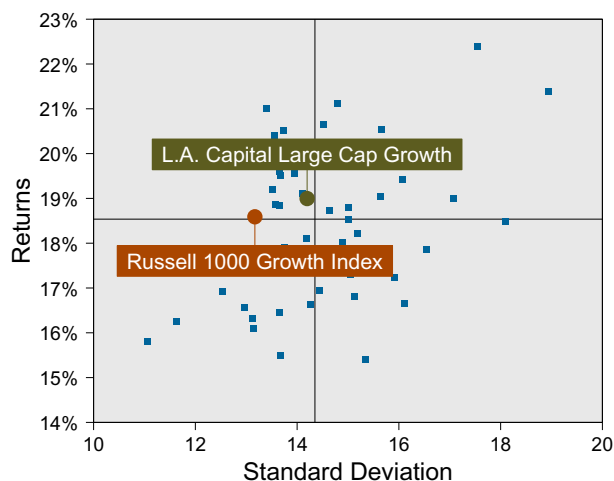
Performance vs CAI Large Cap Growth Style (Gross)



Relative Return vs Russell 1000 Growth Index



CAI Large Cap Growth Style (Gross) Annualized Five Year Risk vs Return



L.A. Capital Enhanced Period Ended June 30, 2015

Investment Philosophy

The LA Capital Enhanced portfolio is a large core portfolio benchmarked to the Russell 1000 Index. Characterized as an enhanced index assignment, its objective is to track the benchmark with lower variability. The pension portfolio began in August of 2000 and the insurance portfolio was initiated in April of 2004. Since October of 2006 a small portion of each of the two core accounts was allocated into the Large Cap Alpha Fund with intent to add incremental alpha to the assignment given that the information ratio was expected to be higher.

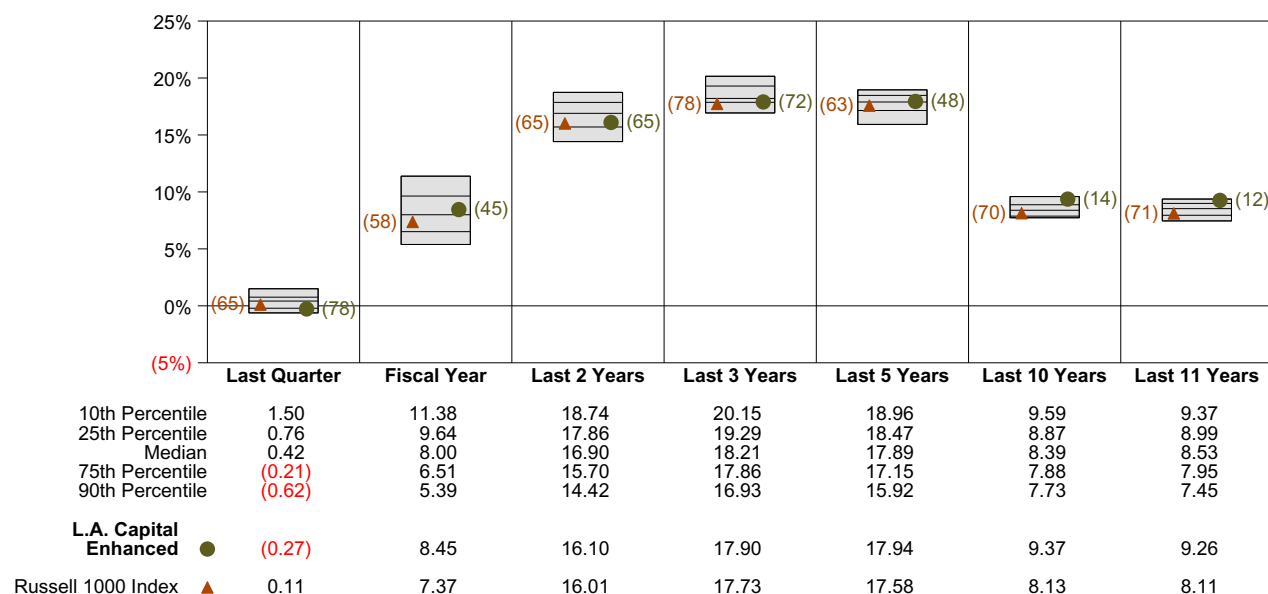
Quarterly Summary and Highlights

- L.A. Capital Enhanced's portfolio posted a (0.27)% return for the quarter placing it in the 78 percentile of the CAI Large Cap Core Style group for the quarter and in the 45 percentile for the last year.
- L.A. Capital Enhanced's portfolio underperformed the Russell 1000 Index by 0.39% for the quarter and outperformed the Russell 1000 Index for the year by 1.08%.

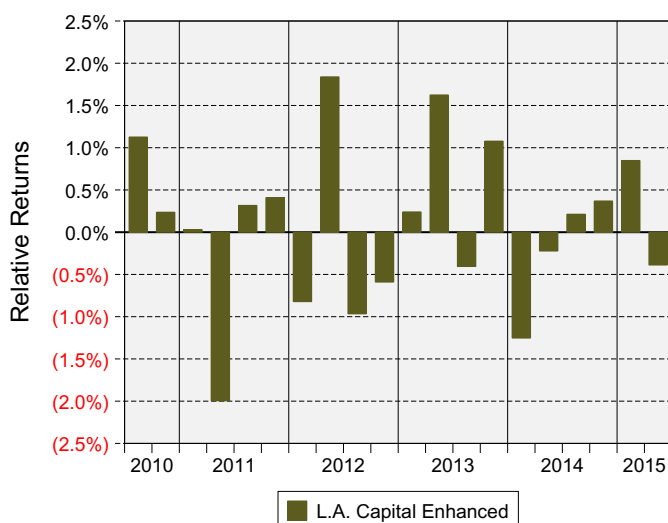
Quarterly Asset Growth

Beginning Market Value	\$187,655,139
Net New Investment	\$-140,755,415
Investment Gains/(Losses)	\$-1,003,822
Ending Market Value	\$45,895,902

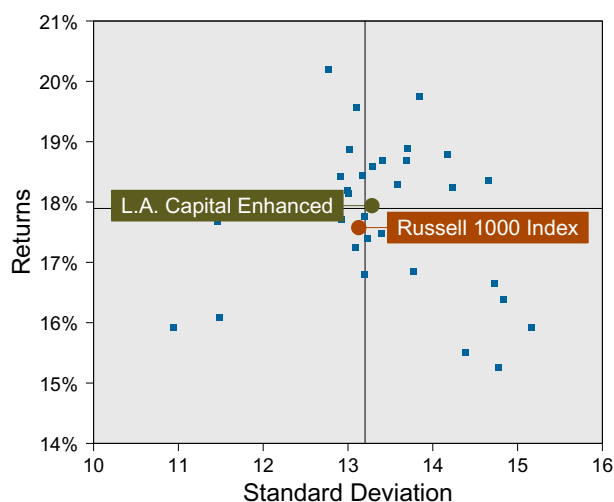
Performance vs CAI Large Cap Core Style (Gross)



Relative Return vs Russell 1000 Index



CAI Large Cap Core Style (Gross) Annualized Five Year Risk vs Return



LSV Asset Management Period Ended June 30, 2015

Investment Philosophy

The objective of LSV Asset Management's Large Cap Value Equity (U.S.) strategy is to outperform the Russell 1000 Value by at least 200 basis points (gross of fees) per annum over a 3-5 year period with a tracking error of approximately 4%. Their stock selection process is a quantitative approach that ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 100 stocks in the most attractive securities possible within strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio is broadly diversified across industry groups and fully invested.

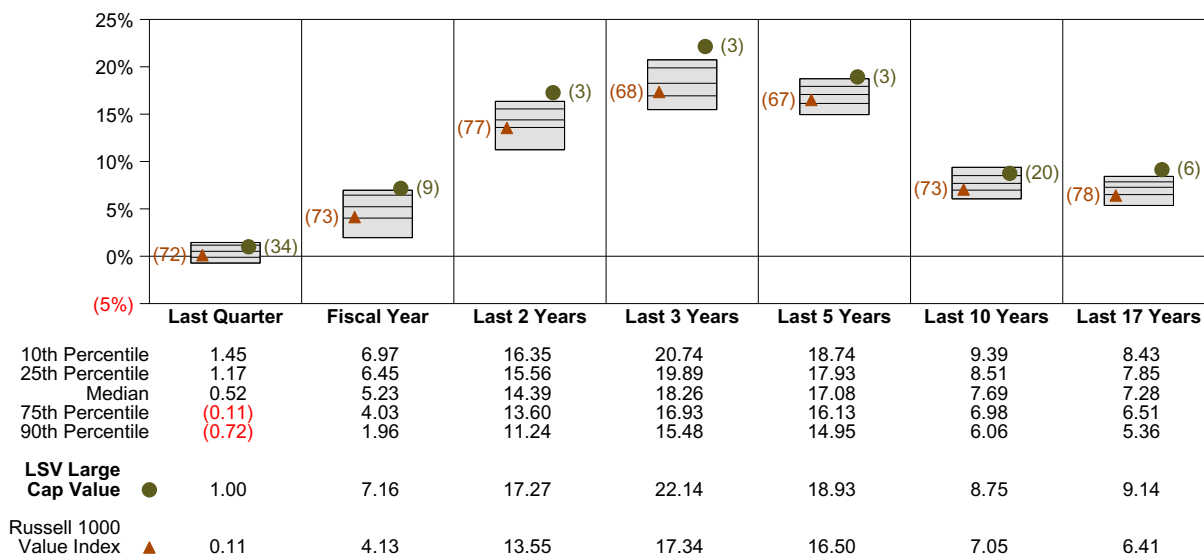
Quarterly Summary and Highlights

- LSV Large Cap Value's portfolio posted a 1.00% return for the quarter placing it in the 34 percentile of the CAI Large Cap Value Style group for the quarter and in the 9 percentile for the last year.
- LSV Large Cap Value's portfolio outperformed the Russell 1000 Value Index by 0.89% for the quarter and outperformed the Russell 1000 Value Index for the year by 3.03%.

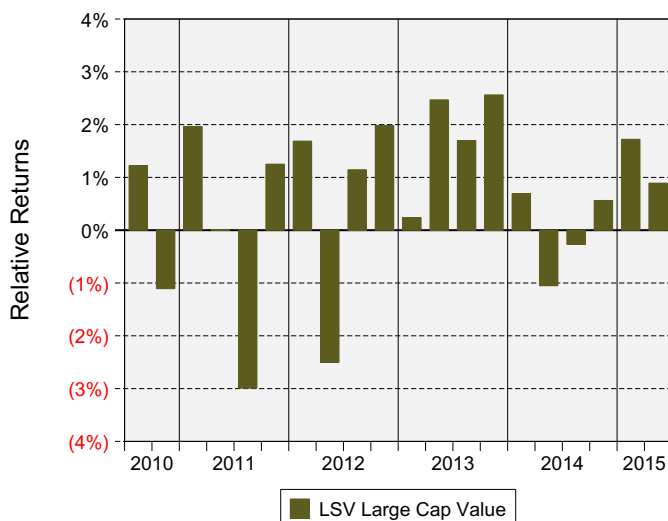
Quarterly Asset Growth

Beginning Market Value	\$280,152,156
Net New Investment	\$-213,107,668
Investment Gains/(Losses)	\$2,323,762
Ending Market Value	\$69,368,250

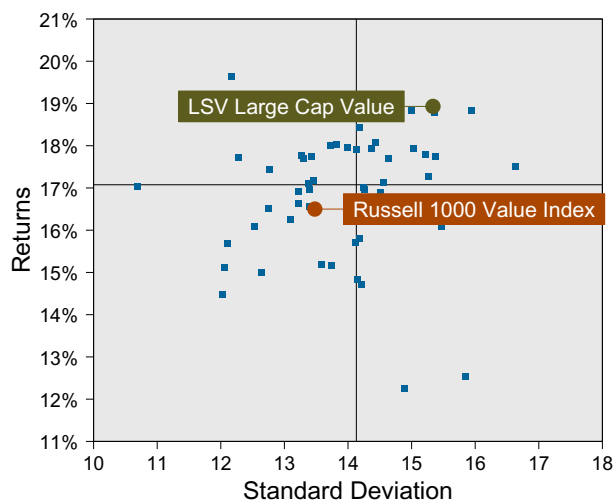
Performance vs CAI Large Cap Value Style (Gross)



Relative Return vs Russell 1000 Value Index



CAI Large Cap Value Style (Gross) Annualized Five Year Risk vs Return



Parametric Clifton SmallCap Period Ended June 30, 2015

Investment Philosophy

Parametric Clifton utilizes equity futures to gain benchmark exposure in constructing the portfolio it believes provides the greatest likelihood of outperforming the index. In this construction the underlying cash portfolio is invested in a liquid, high quality short duration fixed income portfolio. Over market cycles excess return generated by the short duration portfolio, when added to the performance of futures is expected to allow the strategy to achieve 0.50% to 1.00% of gross excess annual performance.

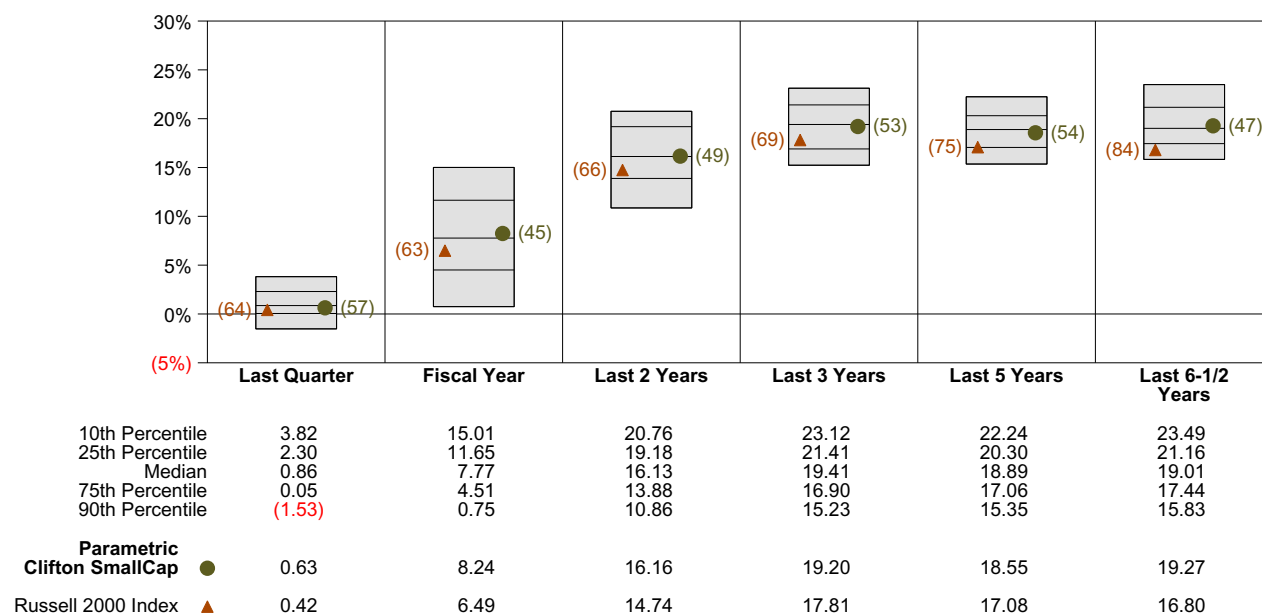
Quarterly Summary and Highlights

- Parametric Clifton SmallCap's portfolio posted a 0.63% return for the quarter placing it in the 57 percentile of the CAI Small Capitalization Style group for the quarter and in the 45 percentile for the last year.
- Parametric Clifton SmallCap's portfolio outperformed the Russell 2000 Index by 0.21% for the quarter and outperformed the Russell 2000 Index for the year by 1.76%.

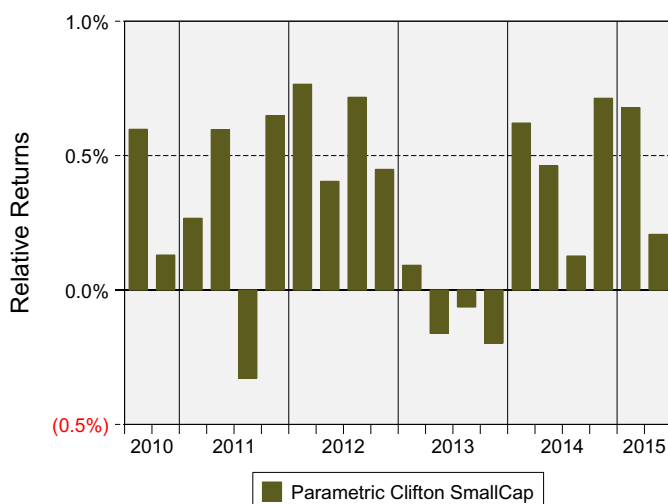
Quarterly Asset Growth

Beginning Market Value	\$58,567,578
Net New Investment	\$0
Investment Gains/(Losses)	\$367,677
Ending Market Value	\$58,935,255

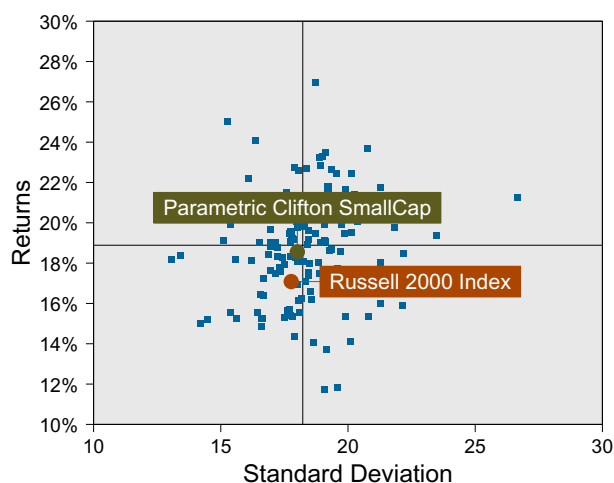
Performance vs CAI Small Capitalization Style (Gross)



Relative Return vs Russell 2000 Index



CAI Small Capitalization Style (Gross) Annualized Five Year Risk vs Return



Research Affiliates Period Ended June 30, 2015

Investment Philosophy

Small company value equity portfolio utilizing the index strategy and philosophy described as the Enhanced RAFI US Small strategy which relies on portfolio weights derived from firm fundamentals (free cash flow, book equity value, total sales and gross dividend), instead of market capitalization. Additionally, the enhanced portfolio strategy uses a quality of earnings screening and a financial distress screening to augment portfolio returns and reduce portfolio volatility.

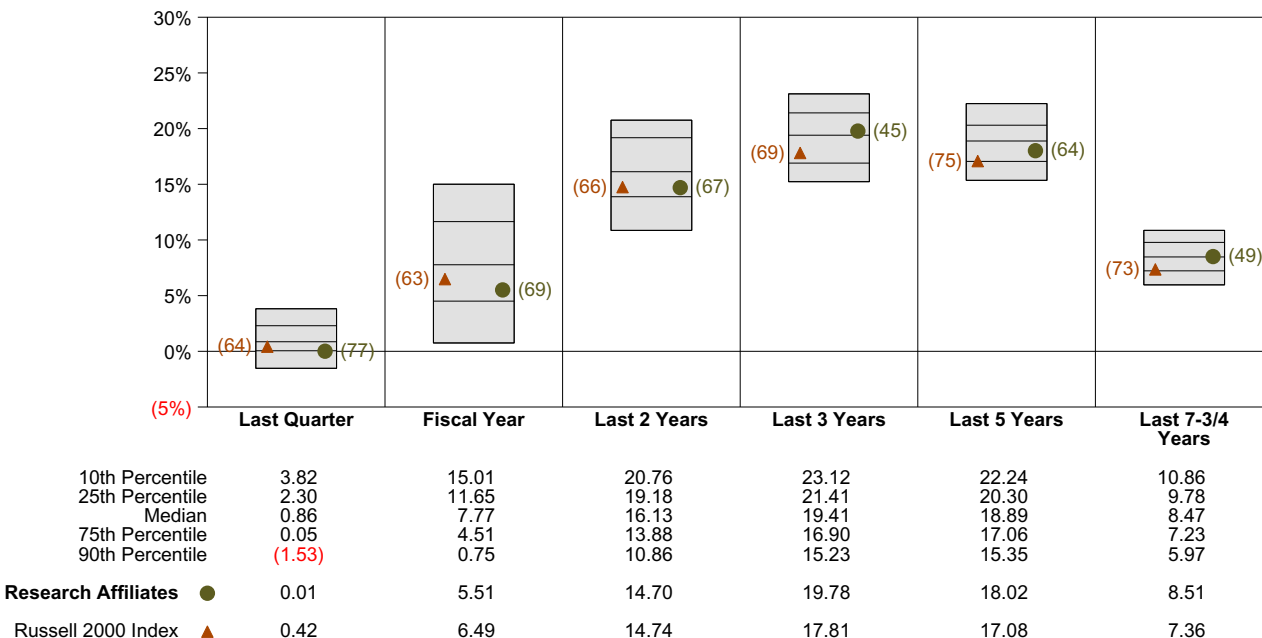
Quarterly Summary and Highlights

- Research Affiliates's portfolio posted a 0.01% return for the quarter placing it in the 77 percentile of the CAI Small Capitalization Style group for the quarter and in the 69 percentile for the last year.
- Research Affiliates's portfolio underperformed the Russell 2000 Index by 0.41% for the quarter and underperformed the Russell 2000 Index for the year by 0.97%.

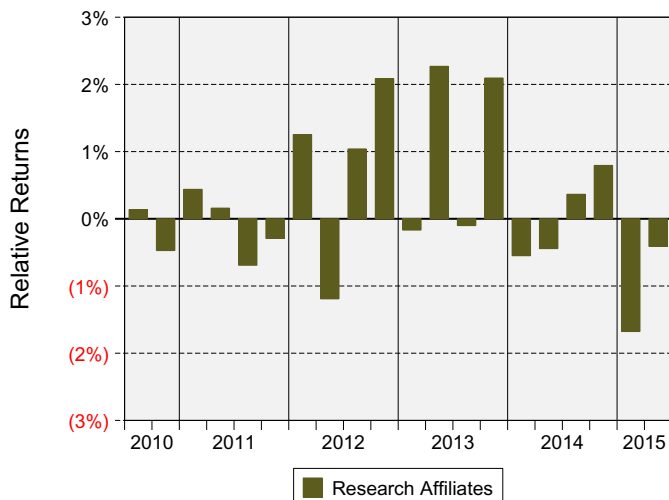
Quarterly Asset Growth

Beginning Market Value	\$23,761,791
Net New Investment	\$-18,579
Investment Gains/(Losses)	\$2,205
Ending Market Value	\$23,745,417

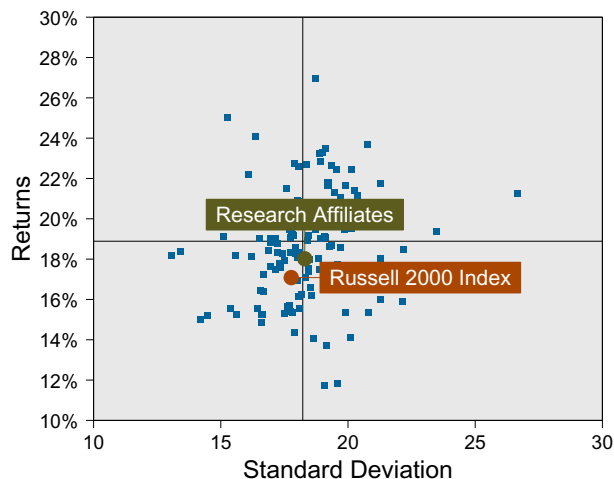
Performance vs CAI Small Capitalization Style (Gross)



Relative Return vs Russell 2000 Index



CAI Small Capitalization Style (Gross) Annualized Five Year Risk vs Return



Capital Group Period Ended June 30, 2015

Investment Philosophy

The Portfolio will invest primarily in equity or equity type securities of companies in developed countries excluding the U.S. These equity securities will be listed on a stock exchange or traded in another recognized market and include, but are not limited to, common and preferred stocks, securities convertible or exchangeable into common or preferred stock, warrants, rights and depository arrangements. ***MSCI EAFE through 9/30/2000, 50% Hedged EAFE through 3/31/2011 and MSCI EAFE again thereafter.**

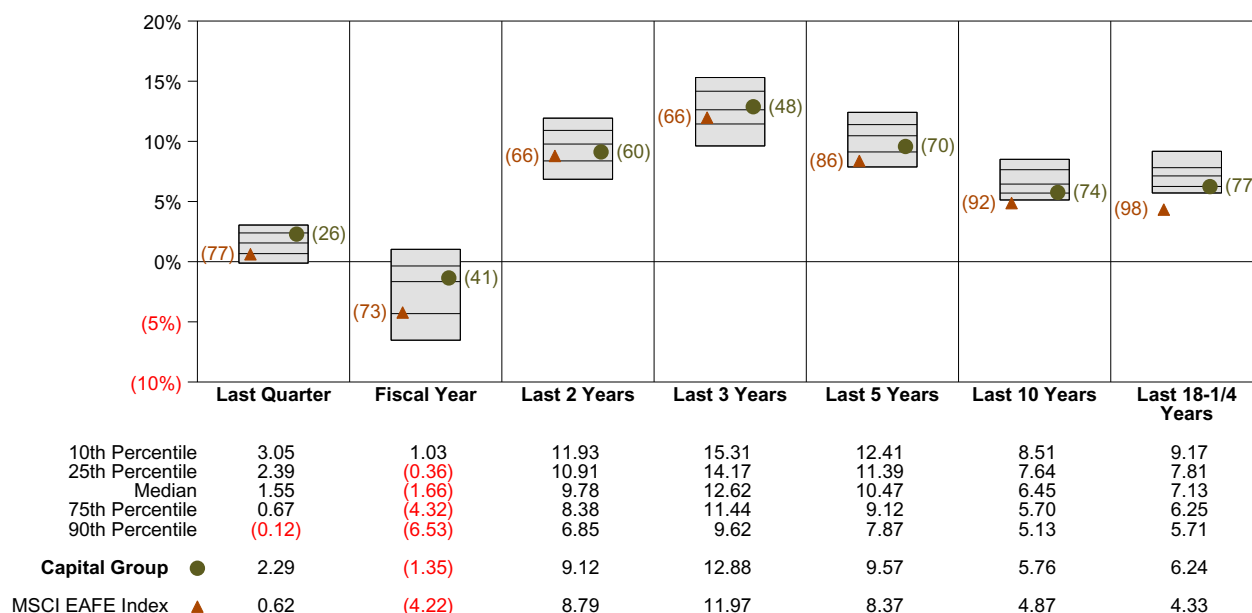
Quarterly Summary and Highlights

- Capital Group's portfolio posted a 2.29% return for the quarter placing it in the 26 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 41 percentile for the last year.
- Capital Group's portfolio outperformed the MSCI EAFE Index by 1.67% for the quarter and outperformed the MSCI EAFE Index for the year by 2.87%.

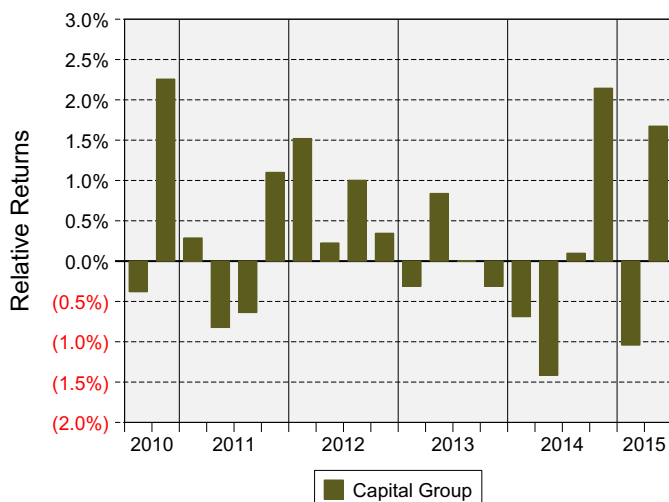
Quarterly Asset Growth

Beginning Market Value	\$66,211,986
Net New Investment	\$-3,171,951
Investment Gains/(Losses)	\$1,557,591
Ending Market Value	\$64,597,626

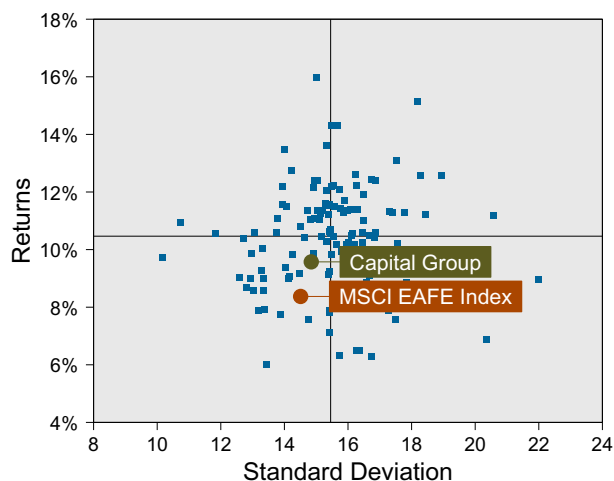
Performance vs CAI Non-U.S. Equity Style (Gross)



Relative Return vs MSCI EAFE Index



CAI Non-U.S. Equity Style (Gross) Annualized Five Year Risk vs Return



DFA Intl Small Cap Value Period Ended June 30, 2015

Investment Philosophy

The International Small Cap Value Portfolio invests in the stocks of small, non-US developed markets companies that Dimensional believes to be value stocks at the time of purchase. Specifically, it looks at companies that fall within the smallest 8-10% of each country's market capitalization, and who's shares have a high book value in relation to their market value (BtM). It does not invest in emerging markets.

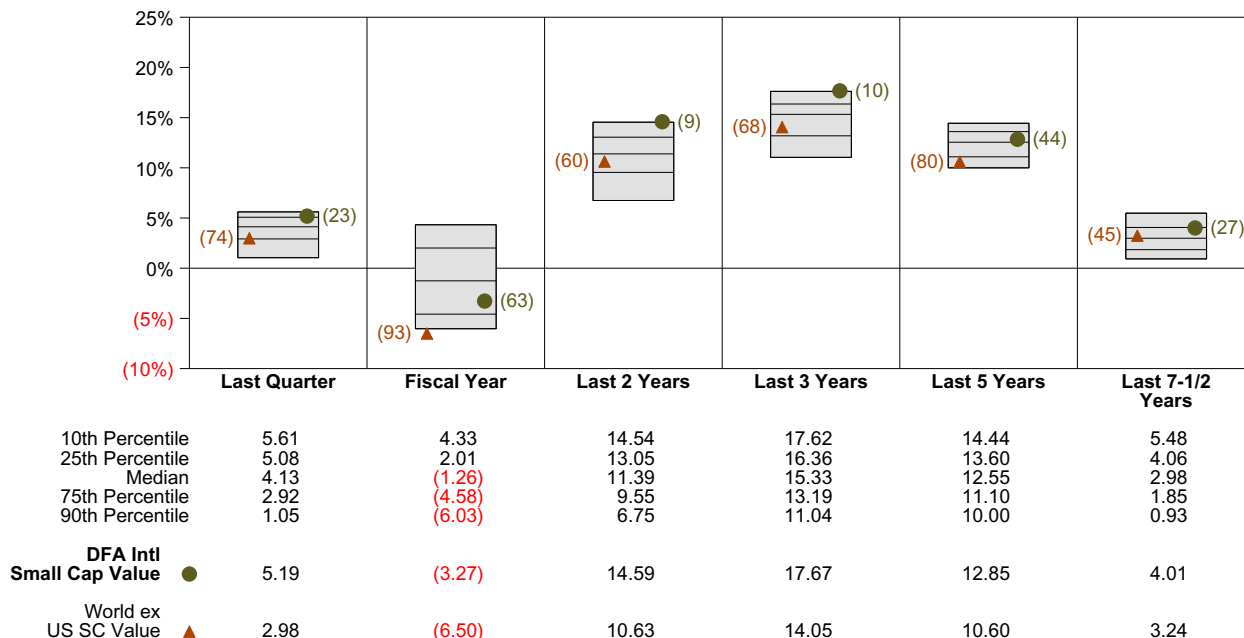
Quarterly Summary and Highlights

- DFA Intl Small Cap Value's portfolio posted a 5.19% return for the quarter placing it in the 23 percentile of the MF - International Small Cap Obj group for the quarter and in the 63 percentile for the last year.
- DFA Intl Small Cap Value's portfolio outperformed the World ex US SC Value by 2.21% for the quarter and outperformed the World ex US SC Value for the year by 3.23%.

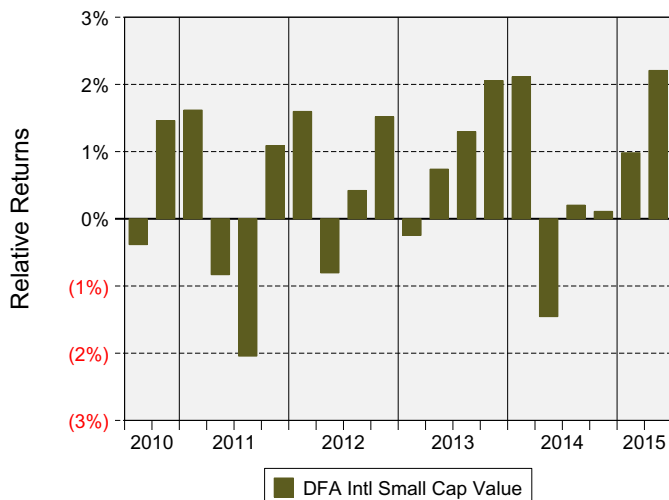
Quarterly Asset Growth

Beginning Market Value	\$16,656,948
Net New Investment	\$-1,000,000
Investment Gains/(Losses)	\$851,983
Ending Market Value	\$16,508,931

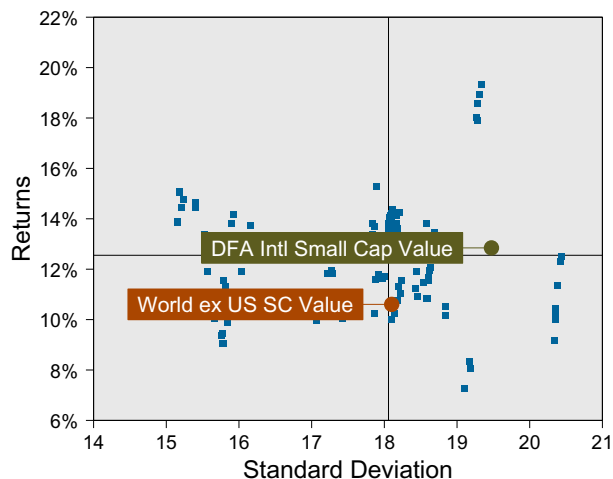
Performance vs MF - International Small Cap Obj (Net)



Relative Return vs World ex US SC Value



MF - International Small Cap Obj (Net) Annualized Five Year Risk vs Return



LSV Intl Value Period Ended June 30, 2015

Investment Philosophy

The objective of LSV Asset Management's International Large Cap Value strategy is to outperform the MSCI EAFE Index by at least 250 basis points (gross of fees) per annum over an annualized 3-5 year period with a tracking error of approximately 5-6%. Their stock selection process is a quantitative approach that ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 150 stocks in the most attractive securities possible within strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio is broadly diversified across industry groups and fully invested. LSV weights countries at a neutral weight relative to the benchmark country weights. 50% of the portfolio is US dollar hedged. ***MSCI EAFE through 9/30/2000, 50% Hedged EAFE through 3/31/2011 and MSCI EAFE again thereafter.**

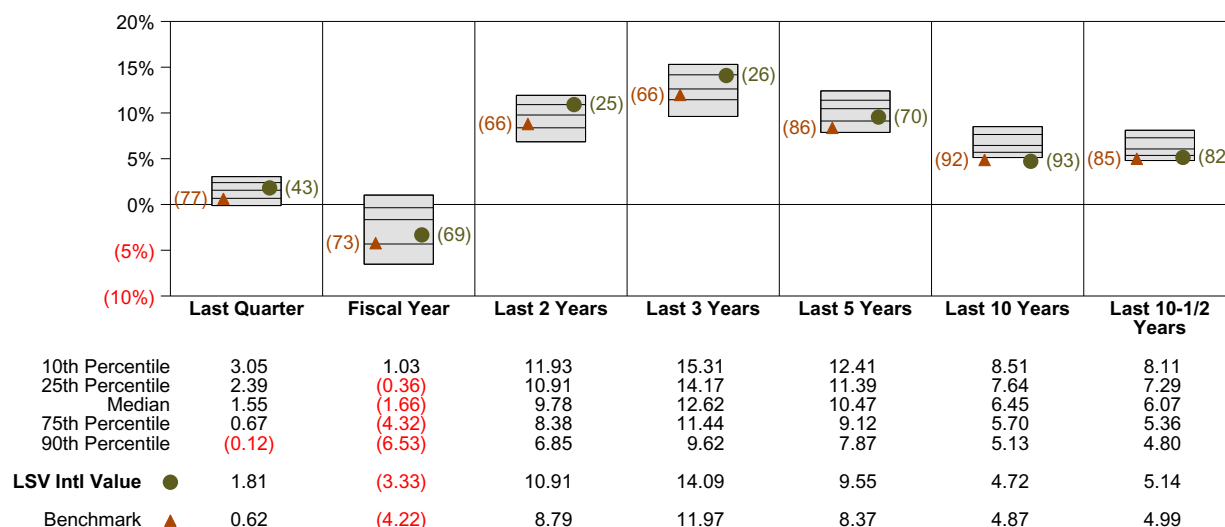
Quarterly Summary and Highlights

- LSV Intl Value's portfolio posted a 1.81% return for the quarter placing it in the 43 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 69 percentile for the last year.
- LSV Intl Value's portfolio outperformed the Benchmark by 1.19% for the quarter and outperformed the Benchmark for the year by 0.90%.

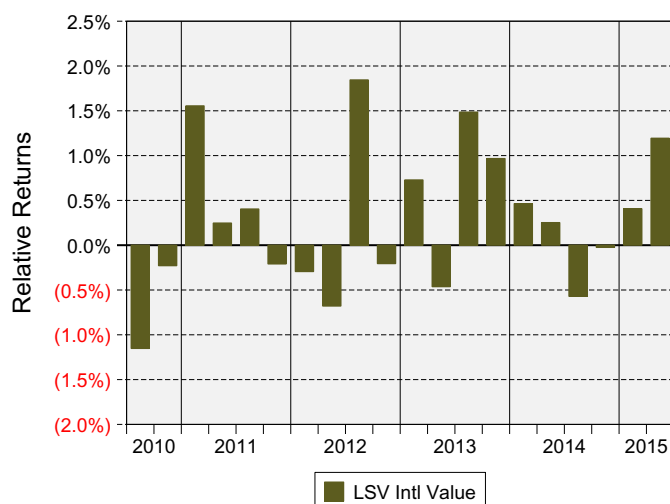
Quarterly Asset Growth

Beginning Market Value	\$66,251,037
Net New Investment	\$-3,577,189
Investment Gains/(Losses)	\$1,238,933
Ending Market Value	\$63,912,781

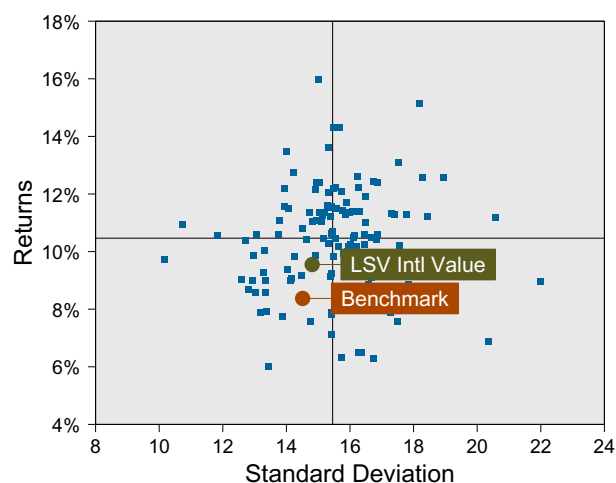
Performance vs CAI Non-U.S. Equity Style (Gross)



Relative Return vs Benchmark



CAI Non-U.S. Equity Style (Gross) Annualized Five Year Risk vs Return



Vanguard Intl Explorer Fund Period Ended June 30, 2015

Investment Philosophy

Vanguard International Explorer Fund invests primarily in the equity securities of small-capitalization companies located outside the United States that the advisor believes offer the potential for long-term capital appreciation. The advisor considers, among other things, whether a company is likely to have above-average earnings growth, whether the company's securities are attractively valued, and whether the company has any proprietary advantages.

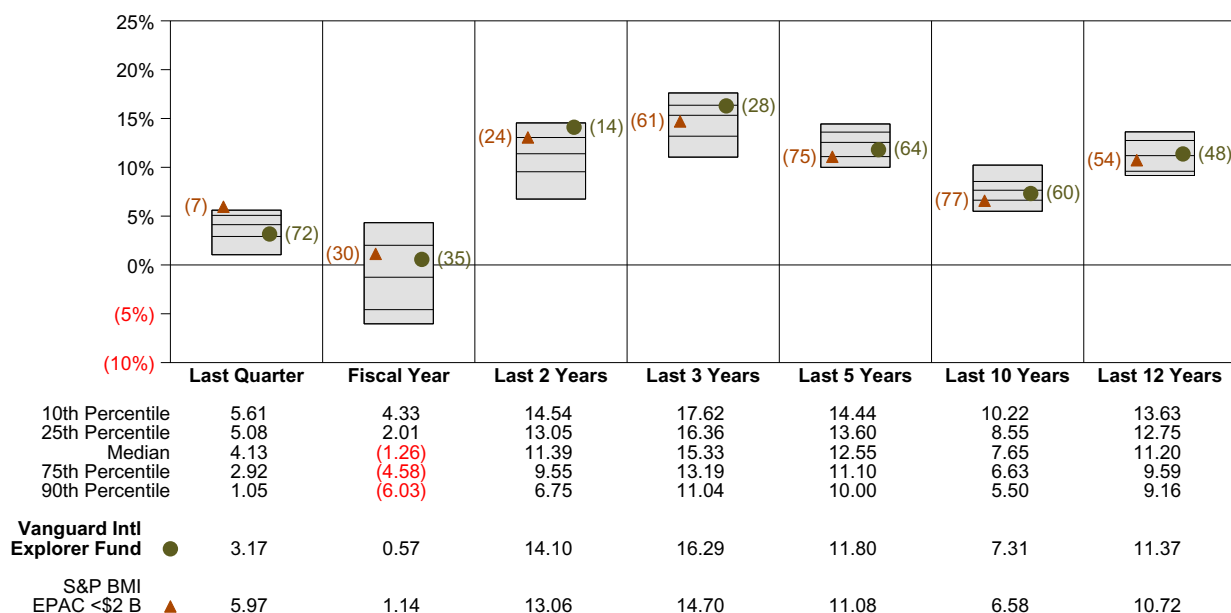
Quarterly Summary and Highlights

- Vanguard Intl Explorer Fund's portfolio posted a 3.17% return for the quarter placing it in the 72 percentile of the MF - International Small Cap Obj group for the quarter and in the 35 percentile for the last year.
- Vanguard Intl Explorer Fund's portfolio underperformed the S&P BMI EPAC <\$2 B by 2.80% for the quarter and underperformed the S&P BMI EPAC <\$2 B for the year by 0.57%.

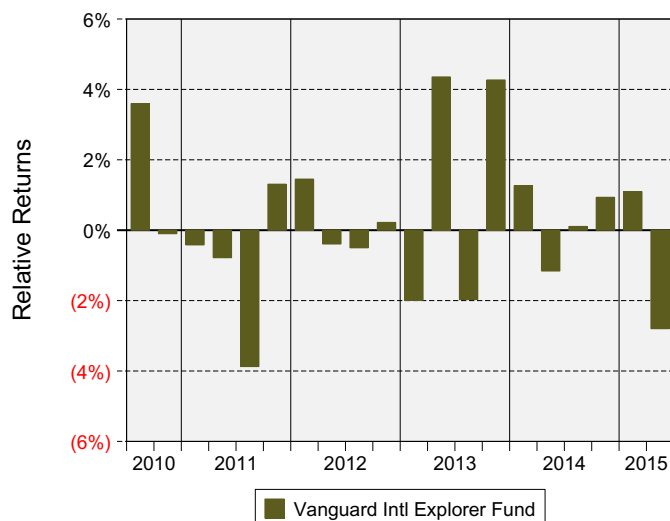
Quarterly Asset Growth

Beginning Market Value	\$17,113,480
Net New Investment	\$-1,000,000
Investment Gains/(Losses)	\$540,714
Ending Market Value	\$16,654,195

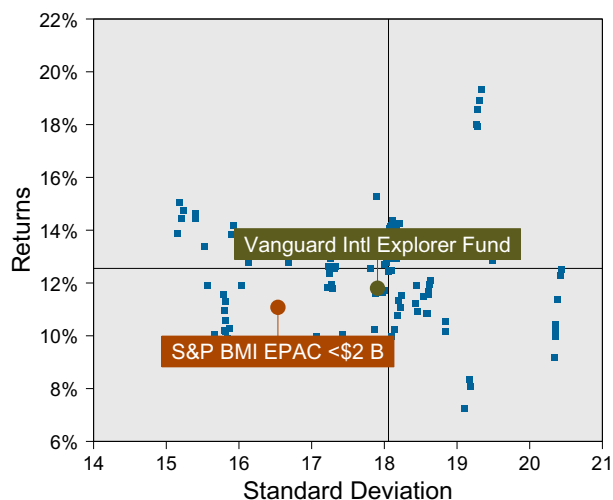
Performance vs MF - International Small Cap Obj (Net)



Relative Return vs S&P BMI EPAC <\$2 B



MF - International Small Cap Obj (Net) Annualized Five Year Risk vs Return



Declaration Total Return Period Ended June 30, 2015

Investment Philosophy

The Fund's portfolio holdings consist primarily of RMBS issued by private sector companies (Non-Agency RMBS) and government agencies (Agency MBS) and CMBS issued by private sector companies. Agency MBS includes securities issued by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae). Portfolio holdings may range from short tenure senior classes to stressed issues or subordinated securities with substantial risk of non-payment and correspondingly higher yields. Smaller portfolio allocations may include consumer asset-backed securities (ABS), or other structured credit securities and corporate bonds. As a diversification strategy and a potential hedge to credit risk, the Fund may invest in securities which tend to benefit from slow mortgage prepayments and economic growth, such as interest only (IO) MBS.

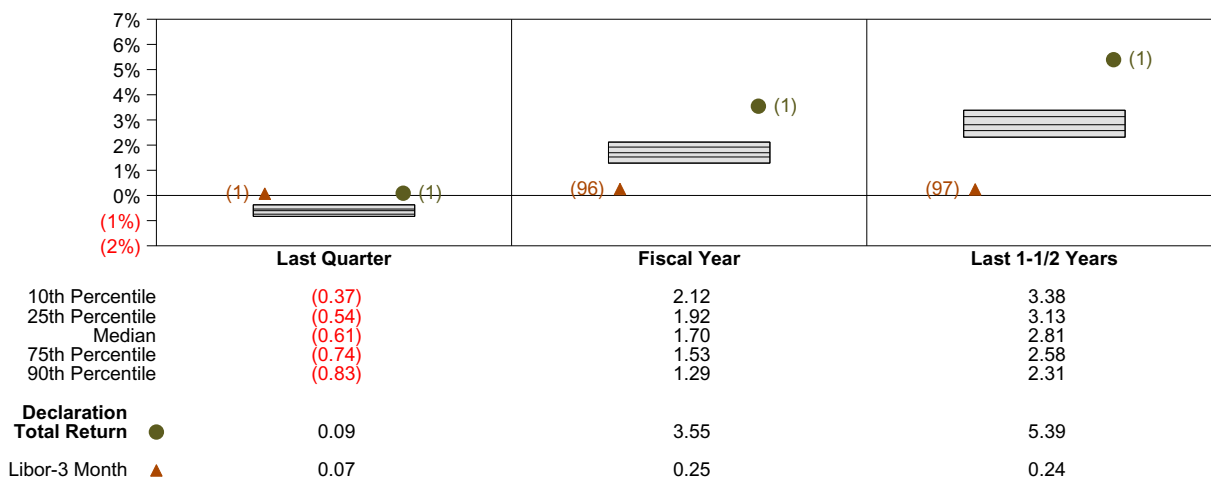
Quarterly Summary and Highlights

- Declaration Total Return's portfolio posted a 0.09% return for the quarter placing it in the 1 percentile of the CAI Intermediate Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- Declaration Total Return's portfolio outperformed the Libor-3 Month by 0.02% for the quarter and outperformed the Libor-3 Month for the year by 3.29%.

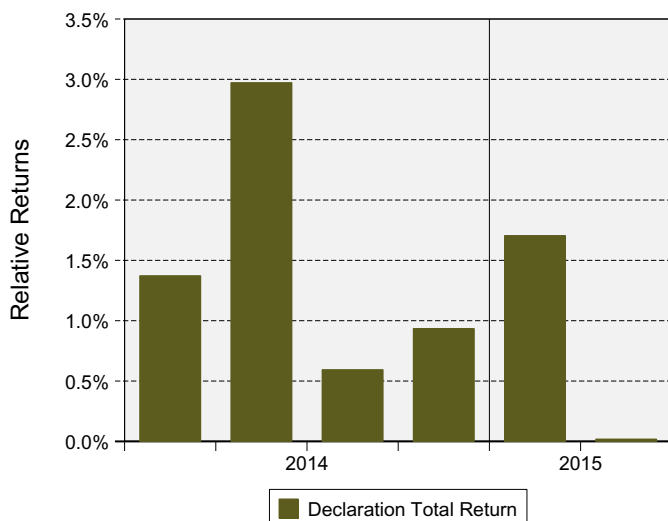
Quarterly Asset Growth

Beginning Market Value	\$164,716,814
Net New Investment	\$-86,664,717
Investment Gains/(Losses)	\$69,476
Ending Market Value	\$78,121,573

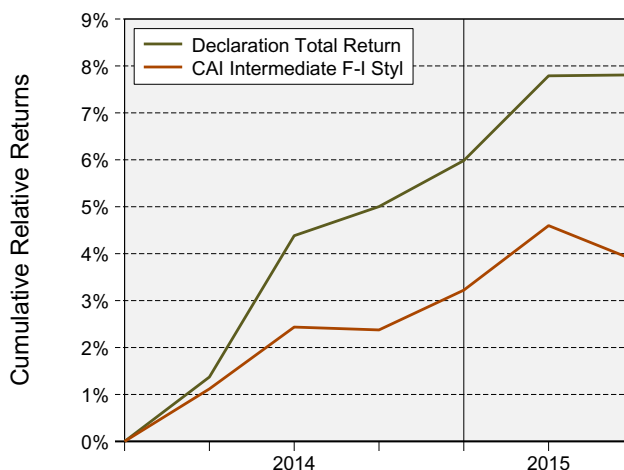
Performance vs CAI Intermediate Fixed-Inc Style (Gross)



Relative Return vs Libor-3 Month



Cumulative Returns vs Libor-3 Month



PIMCO DiSCO II

Period Ended June 30, 2015

Investment Philosophy

The PIMCO Distressed Senior Credit Opportunities Fund is an opportunistic private-equity style Fund which seeks to provide investors enhanced returns principally through long-biased investments in undervalued senior and super senior structured credit securities that are expected to produce attractive levels of current income and that may also appreciate in value over the long term. The fund will look to capitalize on forced sales by liquidity constrained investors.

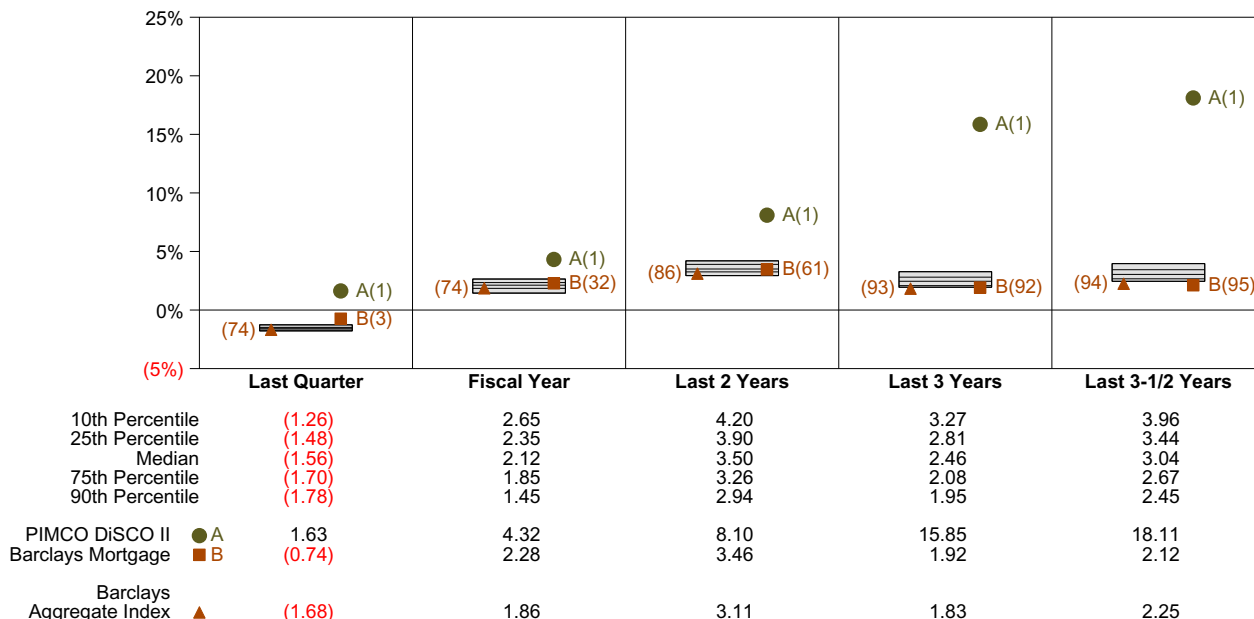
Quarterly Summary and Highlights

- PIMCO DiSCO II's portfolio posted a 1.63% return for the quarter placing it in the 1 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- PIMCO DiSCO II's portfolio outperformed the Barclays Aggregate Index by 3.31% for the quarter and outperformed the Barclays Aggregate Index for the year by 2.46%.

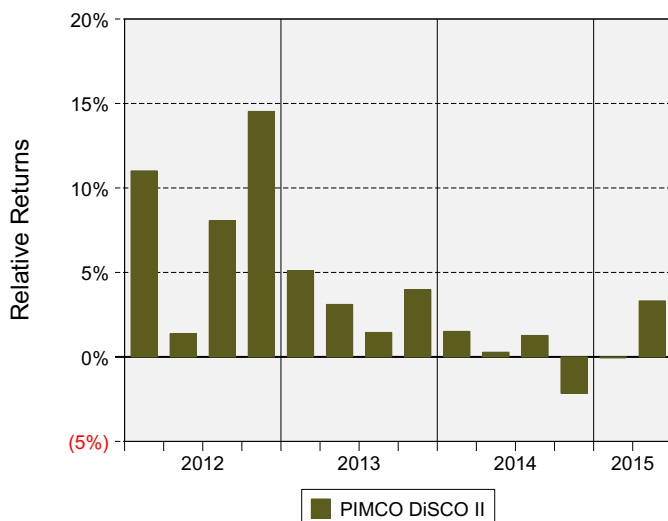
Quarterly Asset Growth

Beginning Market Value	\$77,717,384
Net New Investment	\$0
Investment Gains/(Losses)	\$1,266,550
Ending Market Value	\$78,983,934

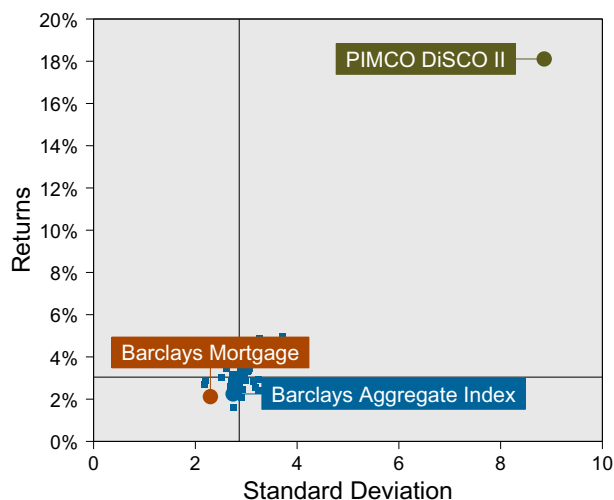
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Barclays Aggregate Index



CAI Core Bond Fixed-Inc Style (Gross) Annualized Three and One-Half Year Risk vs Return



PIMCO Bravo II Fund Period Ended June 30, 2015

Investment Philosophy

The BRAVO II Fund is a private equity style fund targeting an annualized IRR of 15-20% and multiple of 1.8-2x, net of fees and carried interest with an initial 5-year term. The fund will seek to capitalize on non-economic asset sale decisions by global financial institutions. The fund will have the flexibility to acquire attractively discounted, less liquid loans, structured credit and other assets tied to residential or commercial real estate markets in the U.S. and Europe.

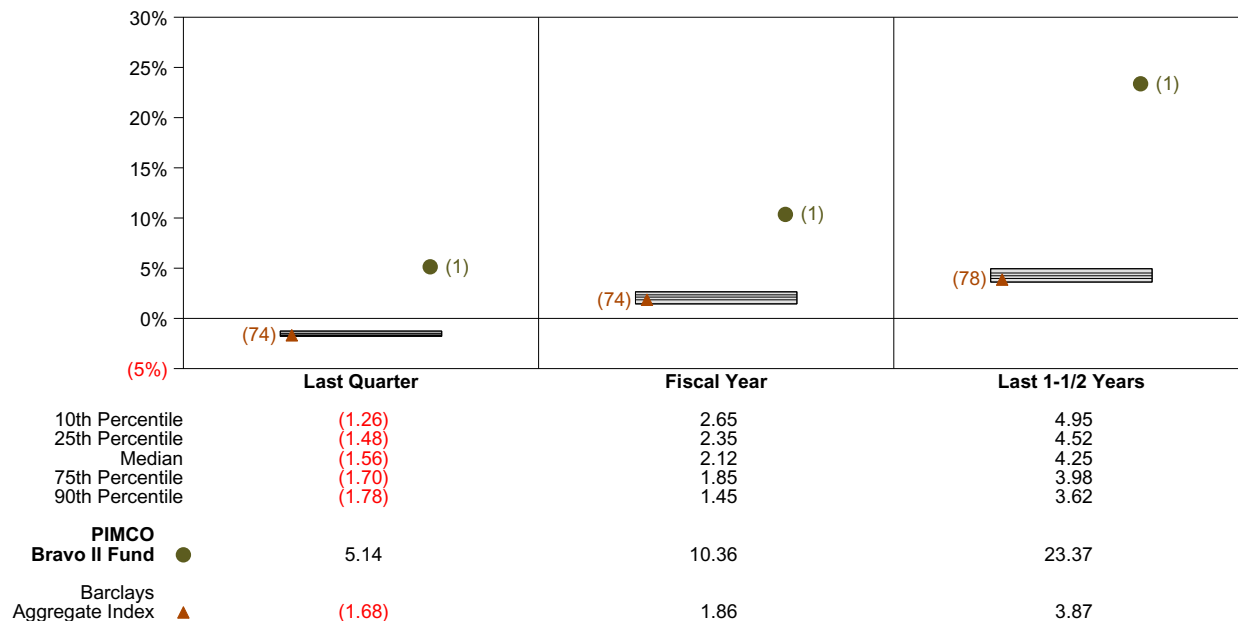
Quarterly Summary and Highlights

- PIMCO Bravo II Fund's portfolio posted a 5.14% return for the quarter placing it in the 1 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- PIMCO Bravo II Fund's portfolio outperformed the Barclays Aggregate Index by 6.82% for the quarter and outperformed the Barclays Aggregate Index for the year by 8.50%.

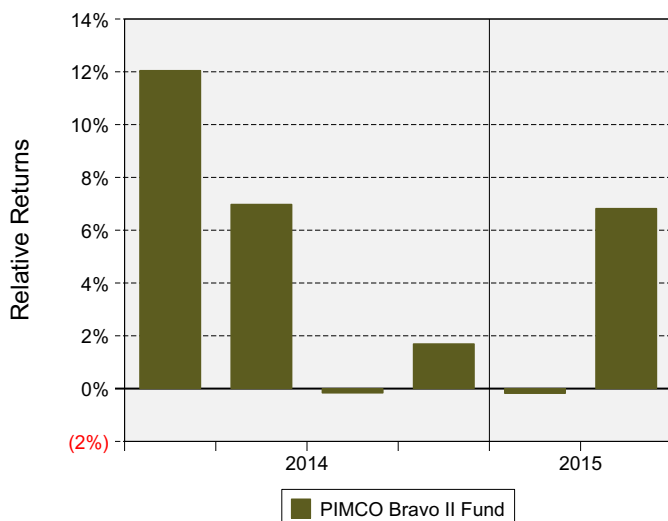
Quarterly Asset Growth

Beginning Market Value	\$28,787,322
Net New Investment	\$5,000,000
Investment Gains/(Losses)	\$1,597,272
Ending Market Value	\$35,384,594

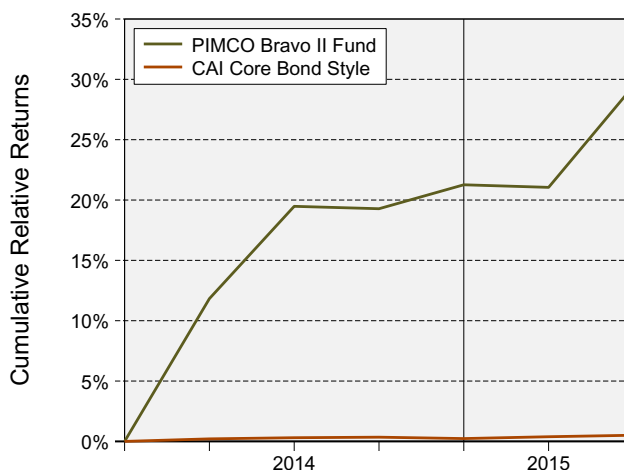
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Barclays Aggregate Index



Cumulative Returns vs Barclays Aggregate Index



Prudential Period Ended June 30, 2015

Investment Philosophy

The core plus fixed income account is a multi-sector strategy that is diversified across a broad range of fixed income sectors, including Treasuries, agencies, mortgage-backed securities, structured product (asset-backed securities, commercial mortgage-backed securities), investment grade corporate bonds, high yield bonds, bank loans and international debt. The primary sources of excess return are sector allocation and security selection, with duration and yield curve less of a focus.

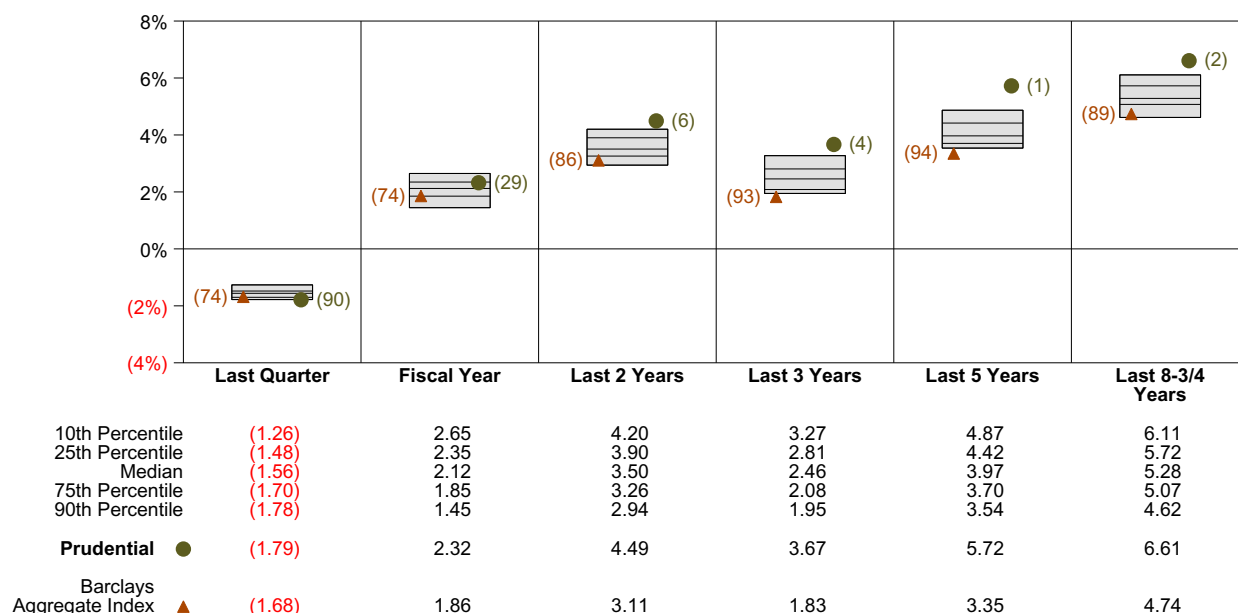
Quarterly Summary and Highlights

- Prudential's portfolio posted a (1.79)% return for the quarter placing it in the 90 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 29 percentile for the last year.
- Prudential's portfolio underperformed the Barclays Aggregate Index by 0.10% for the quarter and outperformed the Barclays Aggregate Index for the year by 0.46%.

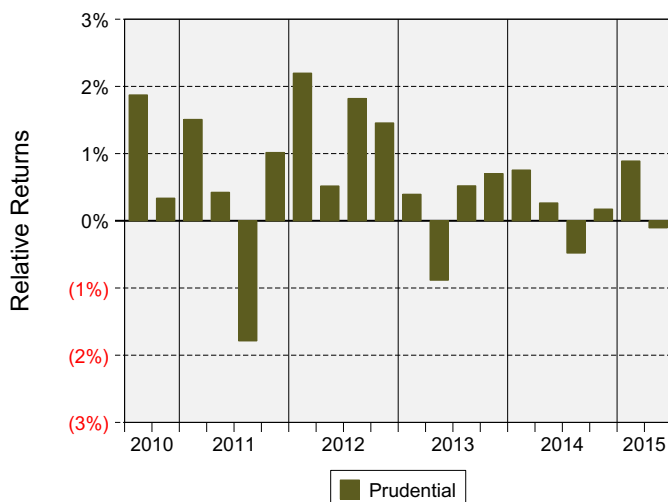
Quarterly Asset Growth

Beginning Market Value	\$165,139,248
Net New Investment	\$-74,275,065
Investment Gains/(Losses)	\$-2,192,011
Ending Market Value	\$88,672,172

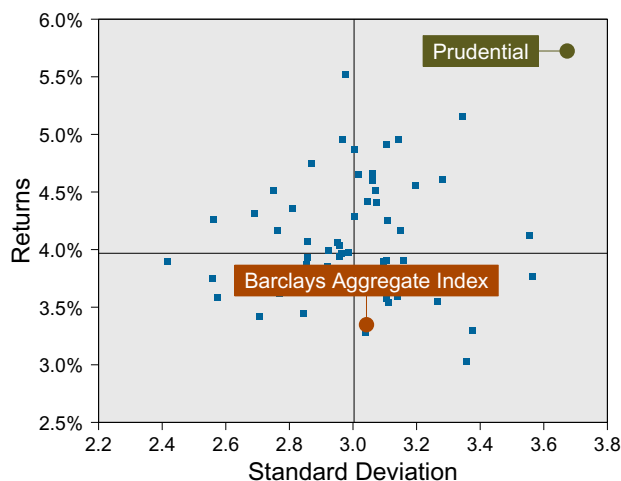
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Barclays Aggregate Index



CAI Core Bond Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



SSgA US Govt Cr Bd Index Period Ended June 30, 2015

Investment Philosophy

The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Barclays Capital U.S. Government/Credit Bond Index over the long term.

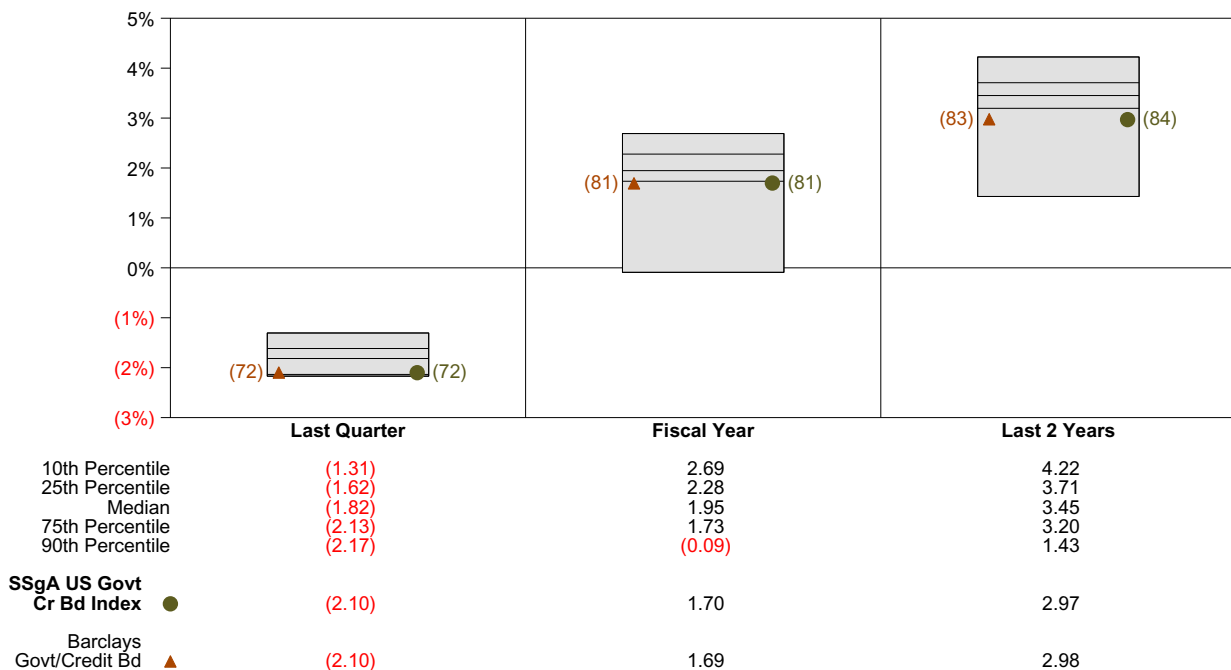
Quarterly Summary and Highlights

- SSgA US Govt Cr Bd Index's portfolio posted a (2.10)% return for the quarter placing it in the 72 percentile of the CAI Govt/Credit Fixed-Income Style group for the quarter and in the 81 percentile for the last year.
- SSgA US Govt Cr Bd Index's portfolio underperformed the Barclays Govt/Credit Bd by 0.00% for the quarter and outperformed the Barclays Govt/Credit Bd for the year by 0.01%.

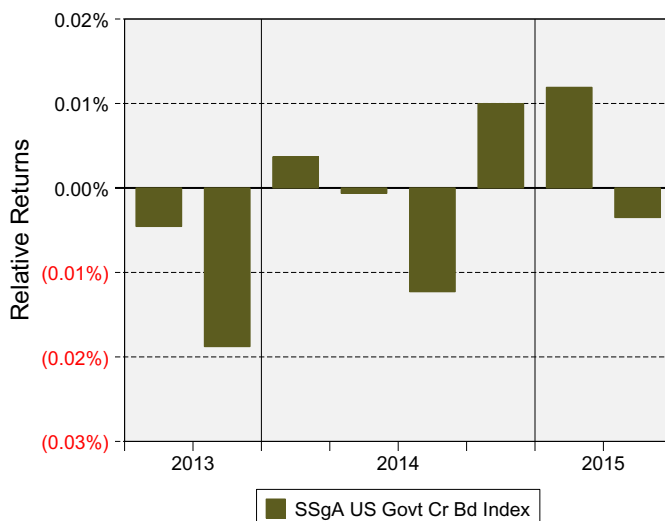
Quarterly Asset Growth

Beginning Market Value	\$282,352,696
Net New Investment	\$-144,536,603
Investment Gains/(Losses)	\$-2,897,772
Ending Market Value	\$134,918,321

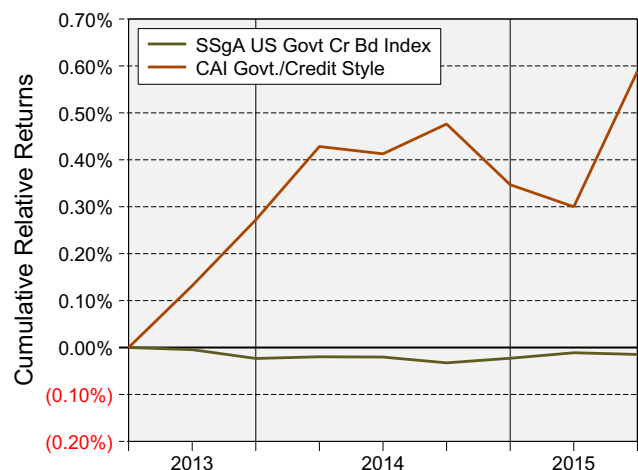
Performance vs CAI Govt/Credit Fixed-Income Style (Gross)



Relative Return vs Barclays Govt/Credit Bd



Cumulative Returns vs Barclays Govt/Credit Bd



Wells Capital Period Ended June 30, 2015

Investment Philosophy

The Medium Quality Credit fixed income strategy is designed to maximize total return from the high-grade corporate bond market while maintaining a strategic allocation to the BBB portion of the high yield market. The investment process for this fund starts with a "top-down" strategy. Security selection is determined by in-depth credit research, holding that in-depth knowledge of industries, companies, and their management teams can help identify credit trends that can lead to investment opportunities. Furthermore, a disciplined relative value framework is applied to help determine the optimal position to invest within an industry and within an individual issuer's capital structure.

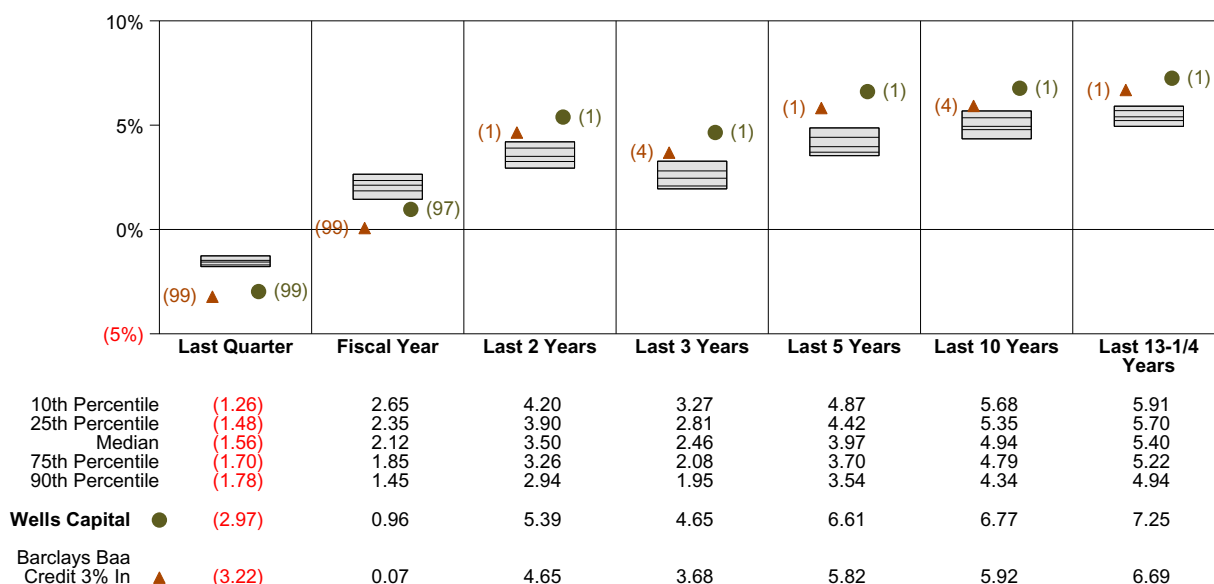
Quarterly Summary and Highlights

- Wells Capital's portfolio posted a (2.97)% return for the quarter placing it in the 99 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 97 percentile for the last year.
- Wells Capital's portfolio outperformed the Barclays Baa Credit 3% In by 0.25% for the quarter and outperformed the Barclays Baa Credit 3% In for the year by 0.89%.

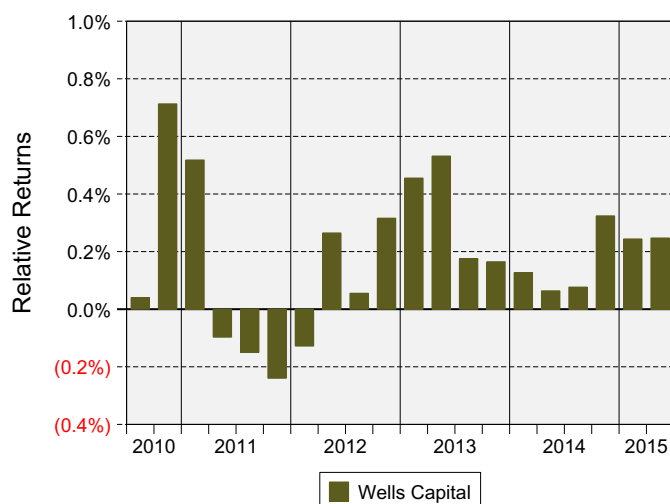
Quarterly Asset Growth

Beginning Market Value	\$660,726,315
Net New Investment	\$-344,363,208
Investment Gains/(Losses)	\$-12,305,433
Ending Market Value	\$304,057,674

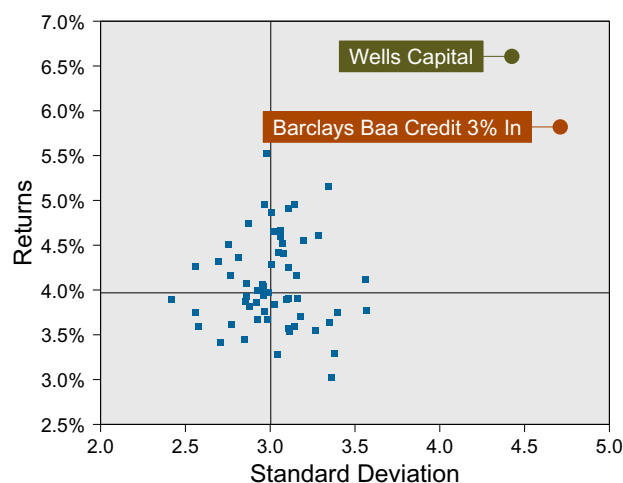
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Barclays Baa Credit 3% In



CAI Core Bond Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



Western Asset Management Company

Period Ended June 30, 2015

Investment Philosophy

Western Asset designs this portfolio using all major fixed-income sectors with a bias towards non-Treasuries, especially corporate, mortgage-backed and asset-backed securities. Value can be added through sector rotation, issue selection, duration and term structure weighting.

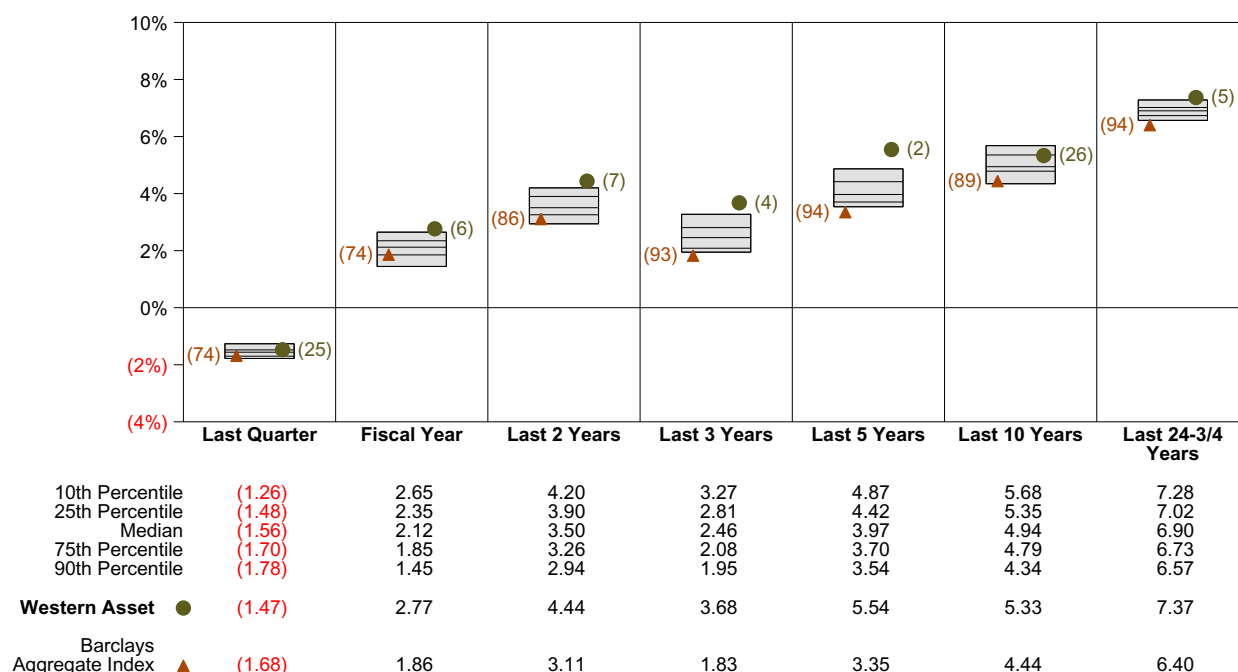
Quarterly Summary and Highlights

- Western Asset's portfolio posted a (1.47)% return for the quarter placing it in the 25 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 6 percentile for the last year.
- Western Asset's portfolio outperformed the Barclays Aggregate Index by 0.21% for the quarter and outperformed the Barclays Aggregate Index for the year by 0.91%.

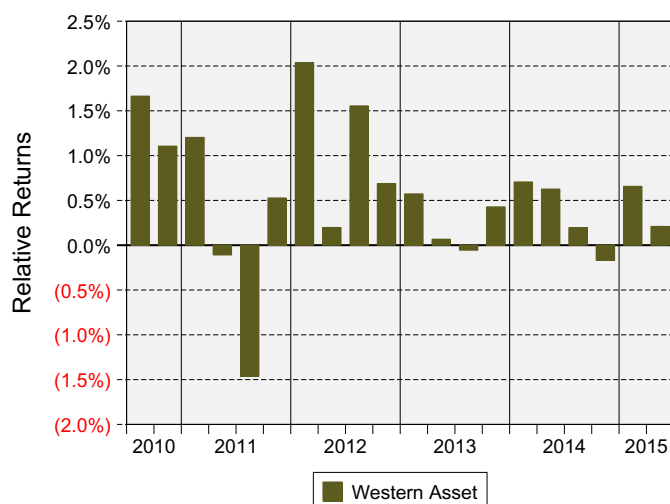
Quarterly Asset Growth

Beginning Market Value	\$664,627,243
Net New Investment	\$-348,528,745
Investment Gains/(Losses)	\$-7,314,108
Ending Market Value	\$308,784,390

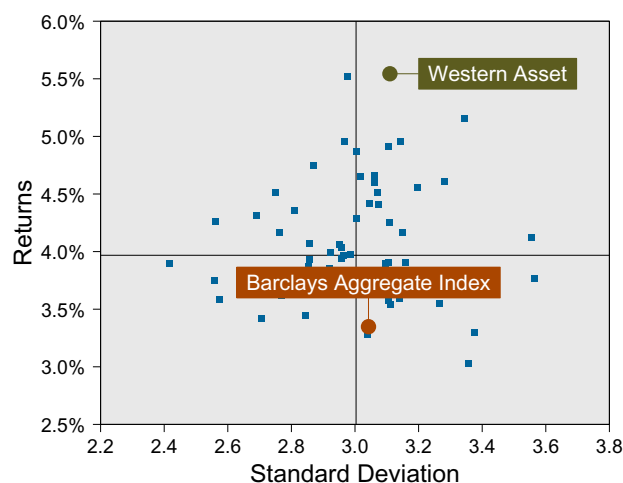
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Barclays Aggregate Index



CAI Core Bond Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



Western TIPS Period Ended June 30, 2015

Investment Philosophy

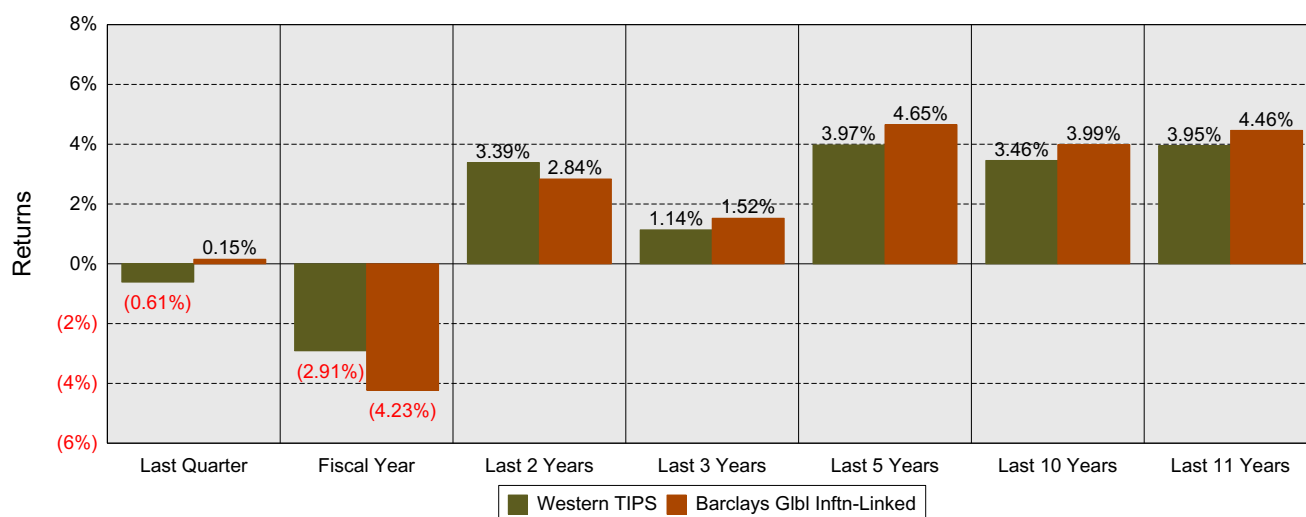
Western Asset's Global Inflation-Linked composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. Constructed primarily of inflation-indexed securities, these portfolios use diversified strategies in seeking to add value while minimizing risk. Value can be added through country selection, term structure, issue selection, duration management and currency management. **Barclays US TIPS through 12/31/2009 and Barclays Global Inflation-Linked thereafter.**

Quarterly Summary and Highlights

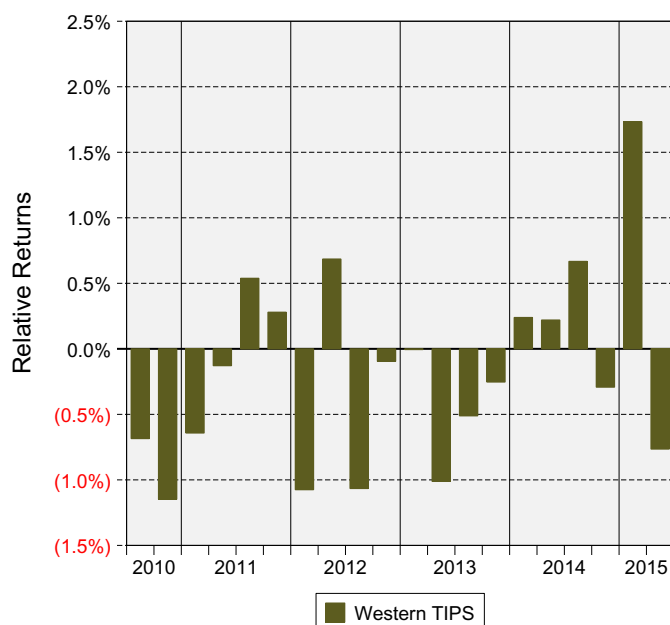
- Western TIPS's portfolio underperformed the Barclays Gbl Inftn-Linked by 0.76% for the quarter and outperformed the Barclays Gbl Inftn-Linked for the year by 1.32%.

Quarterly Asset Growth

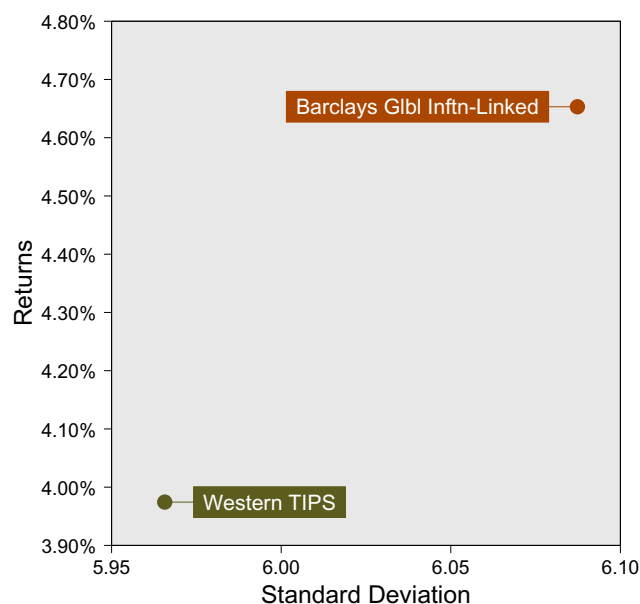
Beginning Market Value	\$96,919,262
Net New Investment	\$15,970,394
Investment Gains/(Losses)	\$-628,224
Ending Market Value	\$112,261,432



Relative Return vs Barclays Gbl Inftn-Linked



Annualized Five Year Risk vs Return



Eastern Timber Opportunities Period Ended June 30, 2015

Investment Philosophy

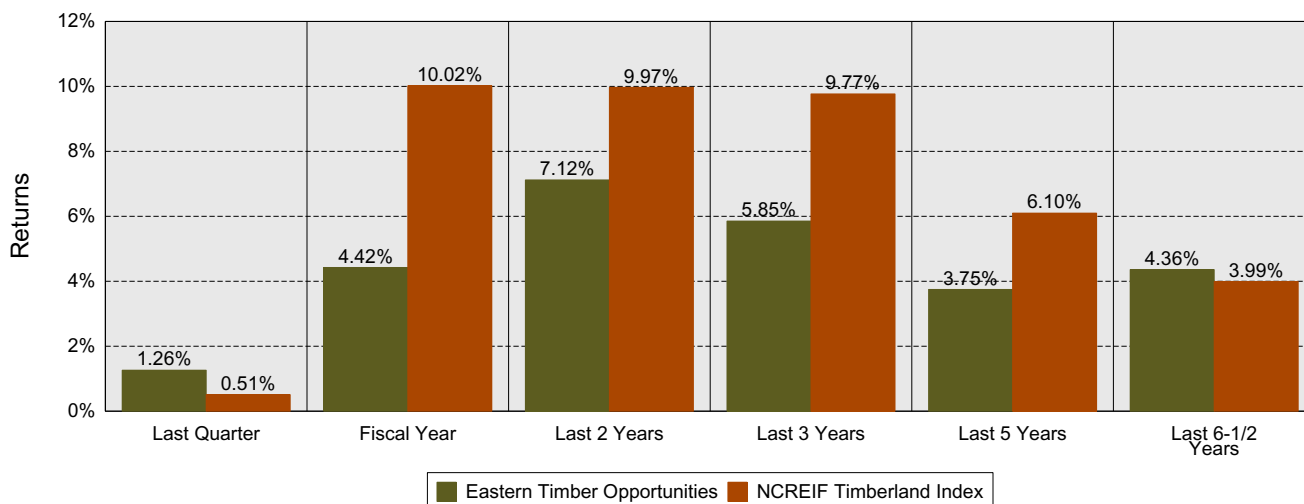
The investment objective of the Eastern Timberland Opportunities fund is to provide competitive timberland investment returns from Eastern US timberland investments by pursuing management strategies to increase timber production and land values through the investment term. TIR will maximize timber values within the portfolio with the application of intensive forest management techniques to accelerate the growth in timber volume and movement into higher value product categories. Additional value will be captured by realizing higher and better use opportunities for select timberland properties throughout the portfolio.

Quarterly Summary and Highlights

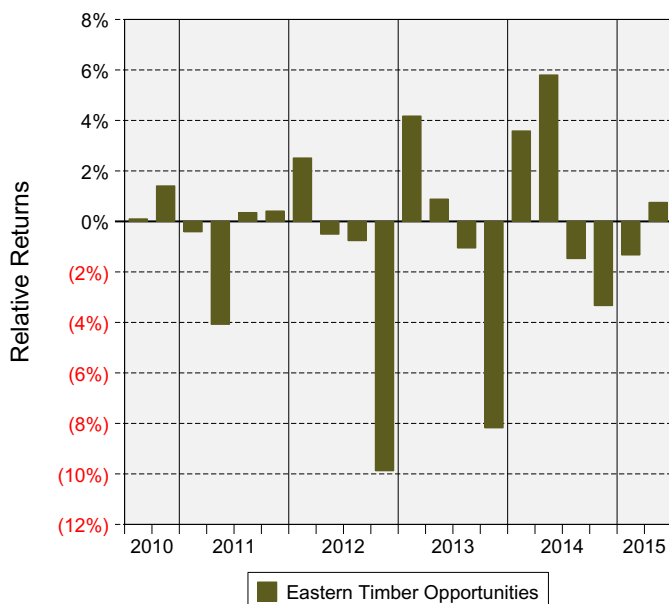
- Eastern Timber Opportunities's portfolio outperformed the NCREIF Timberland Index by 0.75% for the quarter and underperformed the NCREIF Timberland Index for the year by 5.60%.

Quarterly Asset Growth

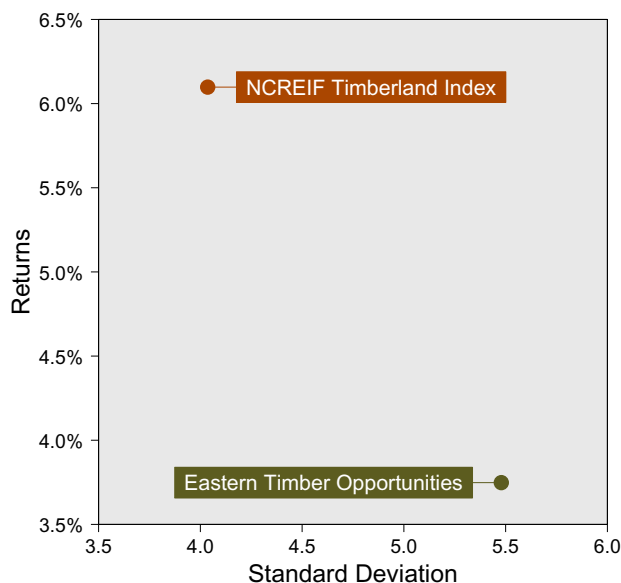
Beginning Market Value	\$60,496,590
Net New Investment	\$0
Investment Gains/(Losses)	\$763,542
Ending Market Value	\$61,260,132



Relative Return vs NCREIF Timberland Index



Annualized Five Year Risk vs Return



JP Morgan Infrastructure Period Ended June 30, 2015

Investment Philosophy

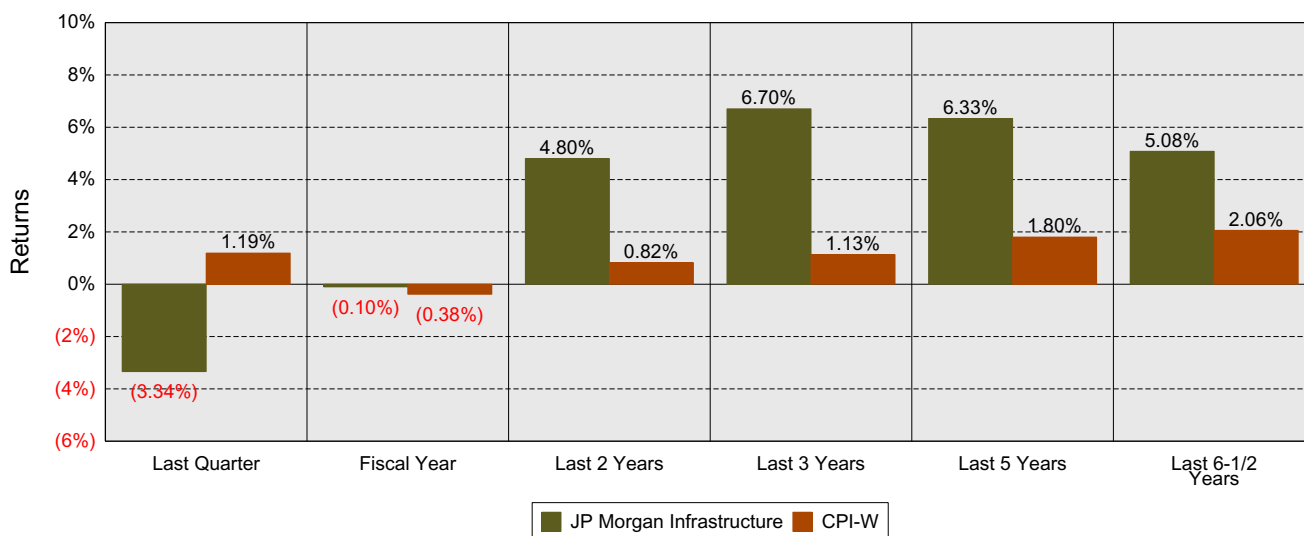
The only open-ended private commingled infrastructure fund in the U.S, the JPMorgan Infrastructure Investments Fund invests in stabilized assets in OECD countries with selected value-added opportunities, across infrastructure industry sub-sectors, including: toll roads, bridges and tunnels; oil and gas pipelines; electricity transmission and distribution facilities; contracted power generation assets; water distribution; waste-water collection and processing; railway lines and rapid rail links; and seaports and airports.

Quarterly Summary and Highlights

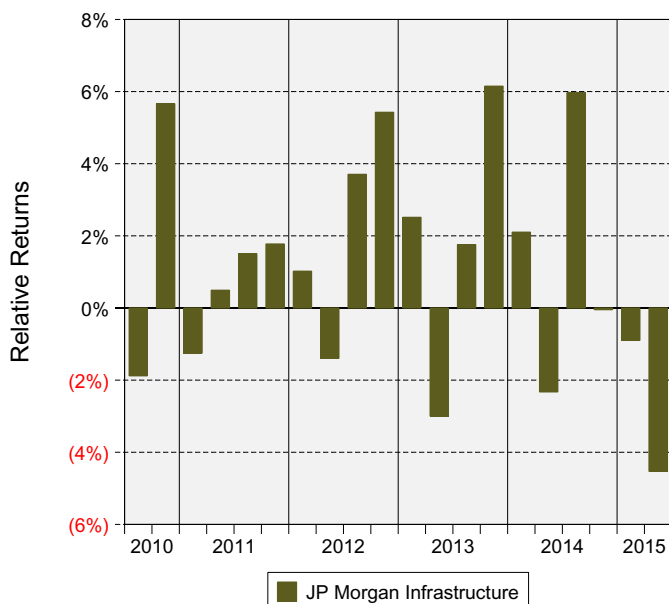
- JP Morgan Infrastructure's portfolio underperformed the CPI-W by 4.53% for the quarter and outperformed the CPI-W for the year by 0.28%.

Quarterly Asset Growth

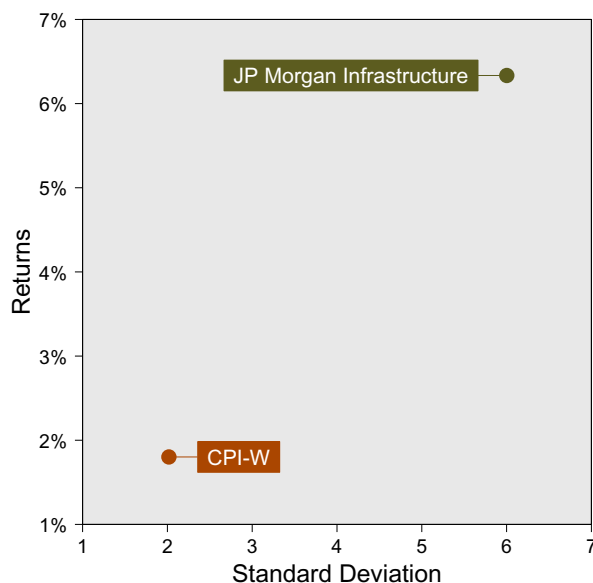
Beginning Market Value	\$73,709,448
Net New Investment	\$1,311,437
Investment Gains/(Losses)	\$-2,421,556
Ending Market Value	\$72,599,328



Relative Return vs CPI-W



Annualized Five Year Risk vs Return



Grosvenor Cust. Infrastructure Period Ended June 30, 2015

Investment Philosophy

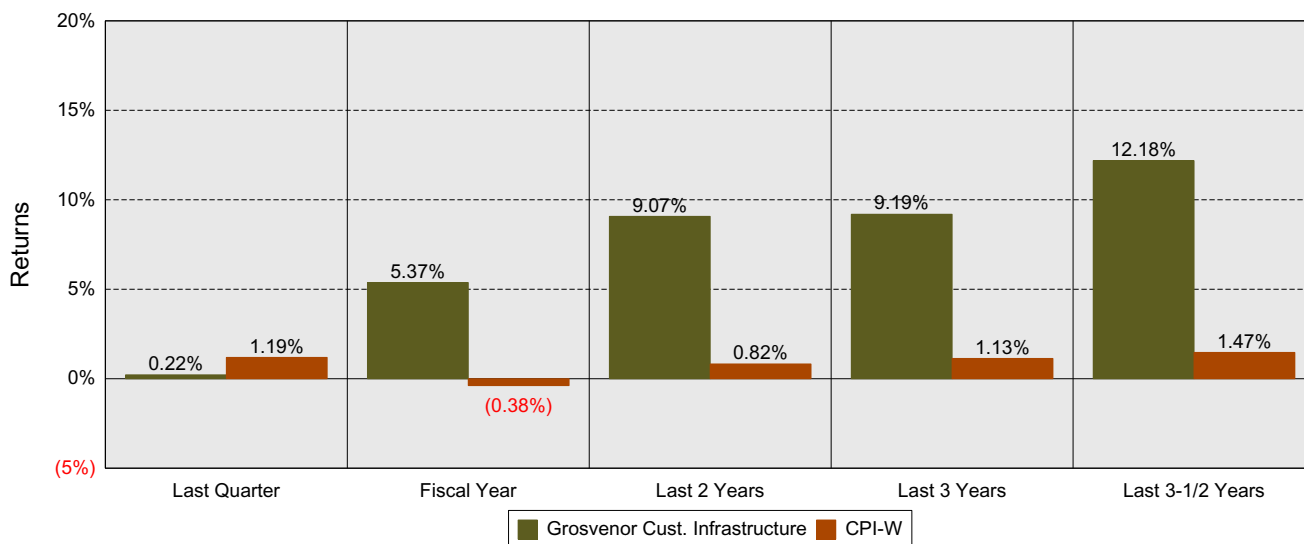
The Customized Infrastructure Strategies LP is a commingled fund focused on providing a comprehensive, diversified solution for investors looking to access the infrastructure asset class. The Fund seeks to generate stable, long-term yield and attractive risk-adjusted returns by investing in a diversified portfolio of primary core and core plus infrastructure funds (30%), co-investments (40%) and opportunistic secondary fund purchases (30%).

Quarterly Summary and Highlights

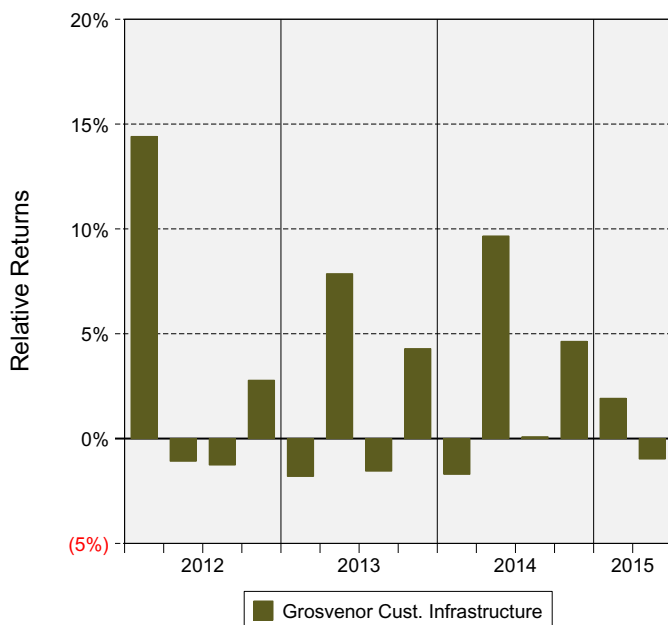
- Grosvenor Cust. Infrastructure's portfolio underperformed the CPI-W by 0.97% for the quarter and outperformed the CPI-W for the year by 5.76%.

Quarterly Asset Growth

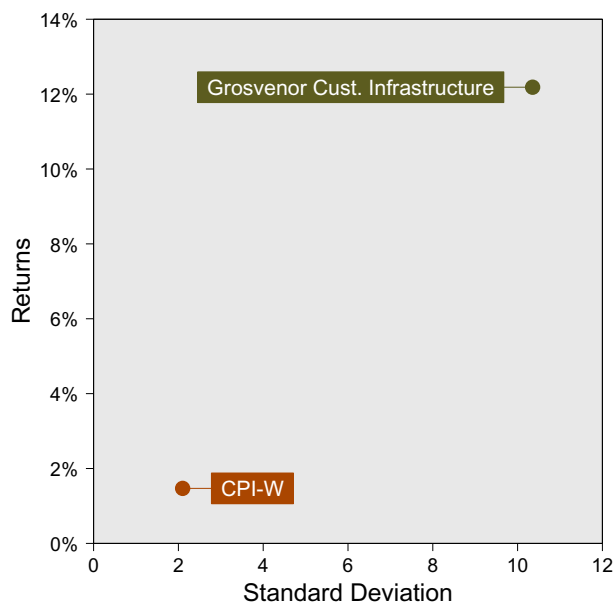
Beginning Market Value	\$21,642,393
Net New Investment	\$-2,178,686
Investment Gains/(Losses)	\$41,882
Ending Market Value	\$19,505,589



Relative Return vs CPI-W



Annualized Three and One-Half Year Risk vs Return



Invesco Core Real Estate Period Ended June 30, 2015

Investment Philosophy

IRE's investment philosophy is comprised of two fundamental principles: (1) maximize the predictability and consistency of investment returns and (2) minimize the risk of capital loss. This philosophy forms the cornerstone of the company's real estate investment philosophy.

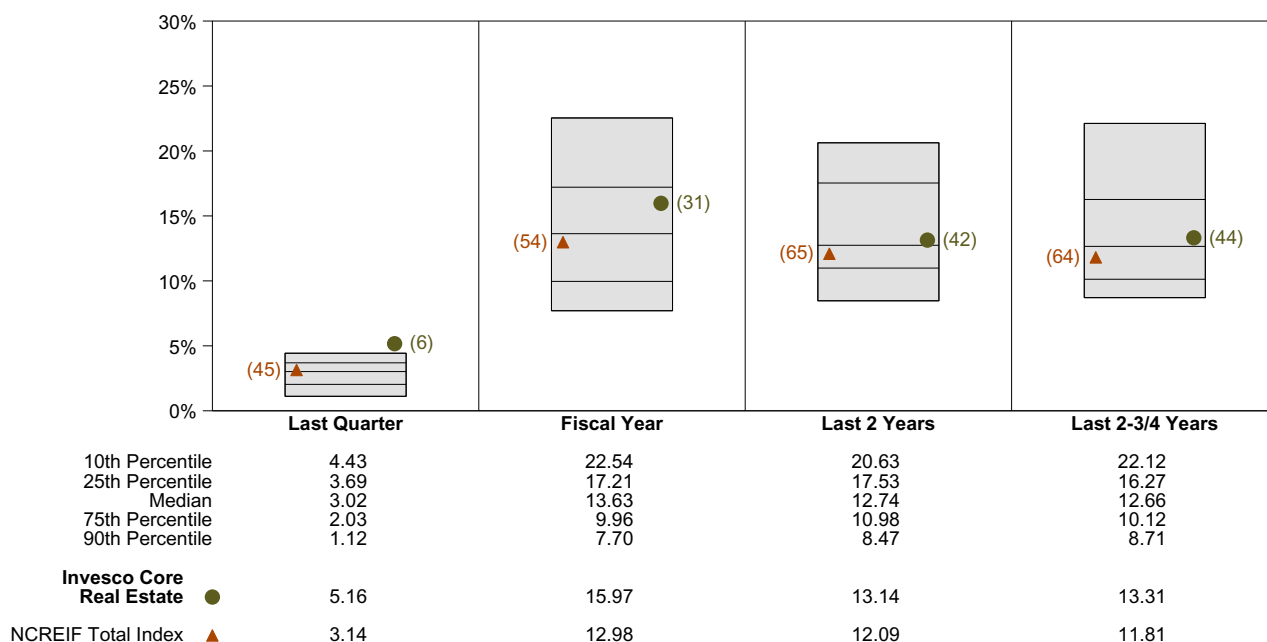
Quarterly Summary and Highlights

- Invesco Core Real Estate's portfolio posted a 5.16% return for the quarter placing it in the 6 percentile of the Total Real Estate DB group for the quarter and in the 31 percentile for the last year.
- Invesco Core Real Estate's portfolio outperformed the NCREIF Total Index by 2.02% for the quarter and outperformed the NCREIF Total Index for the year by 2.99%.

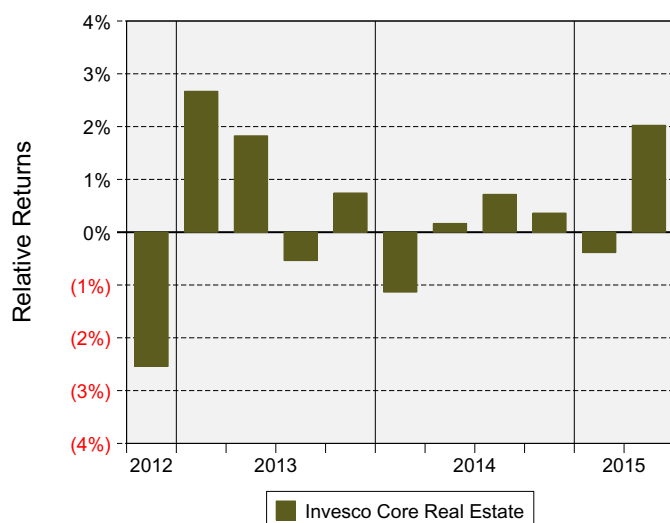
Quarterly Asset Growth

Beginning Market Value	\$127,780,008
Net New Investment	\$-74,554,166
Investment Gains/(Losses)	\$2,748,980
Ending Market Value	\$55,974,821

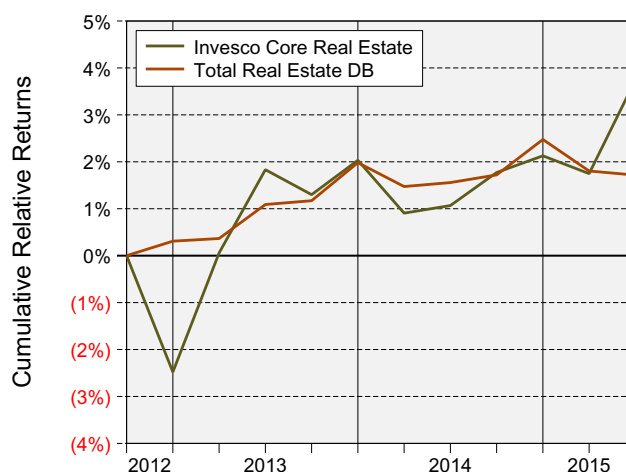
Performance vs Total Real Estate DB (Net)



Relative Return vs NCREIF Total Index



Cumulative Returns vs NCREIF Total Index



JP Morgan Real Estate Period Ended June 30, 2015

Investment Philosophy

The J.P. Morgan U.S. Real Estate Income and Growth Fund seeks to construct and opportunistically manage a portfolio of core direct real estate investments, complemented by other real estate and real estate-related assets. The Fund pursues a broadly diversified absolute-return strategy and pursues all property investments on an opportunistic basis. The majority of the Fund's investments will be in direct core properties in the office, industrial, retail and residential sectors.

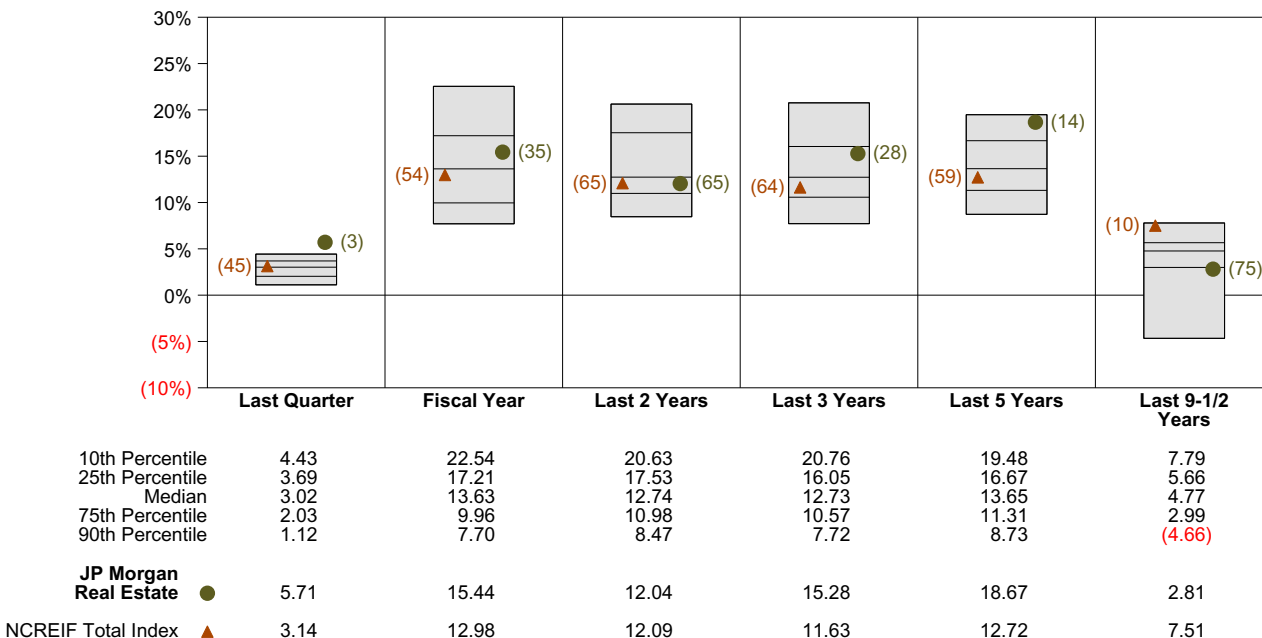
Quarterly Summary and Highlights

- JP Morgan Real Estate's portfolio posted a 5.71% return for the quarter placing it in the 3 percentile of the Total Real Estate DB group for the quarter and in the 35 percentile for the last year.
- JP Morgan Real Estate's portfolio outperformed the NCREIF Total Index by 2.56% for the quarter and outperformed the NCREIF Total Index for the year by 2.46%.

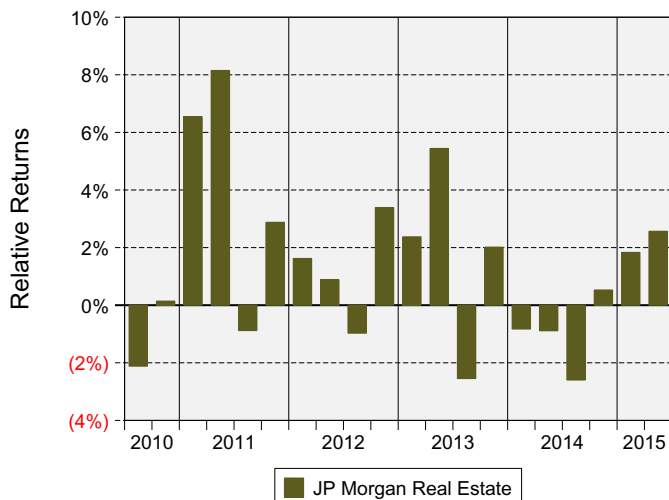
Quarterly Asset Growth

Beginning Market Value	\$144,837,490
Net New Investment	\$-84,505,894
Investment Gains/(Losses)	\$3,472,557
Ending Market Value	\$63,804,154

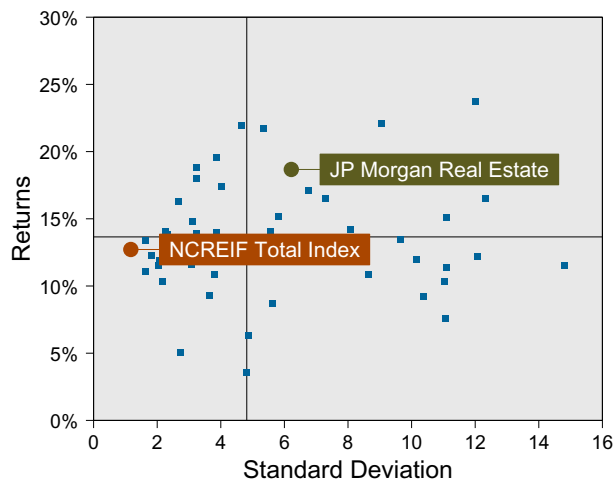
Performance vs Total Real Estate DB (Net)



Relative Return vs NCREIF Total Index



Total Real Estate DB (Net) Annualized Five Year Risk vs Return



JP Morgan Short Term Bonds Period Ended June 30, 2015

Investment Philosophy

The investment objective of this account is to outperform the Barclays Capital 1-3 year Government/Credit Index while maintaining total return risk similar to that of the benchmark as measured over a market cycle. The weighted average effective duration of the portfolio will typically remain within +/- 30% of the benchmark.

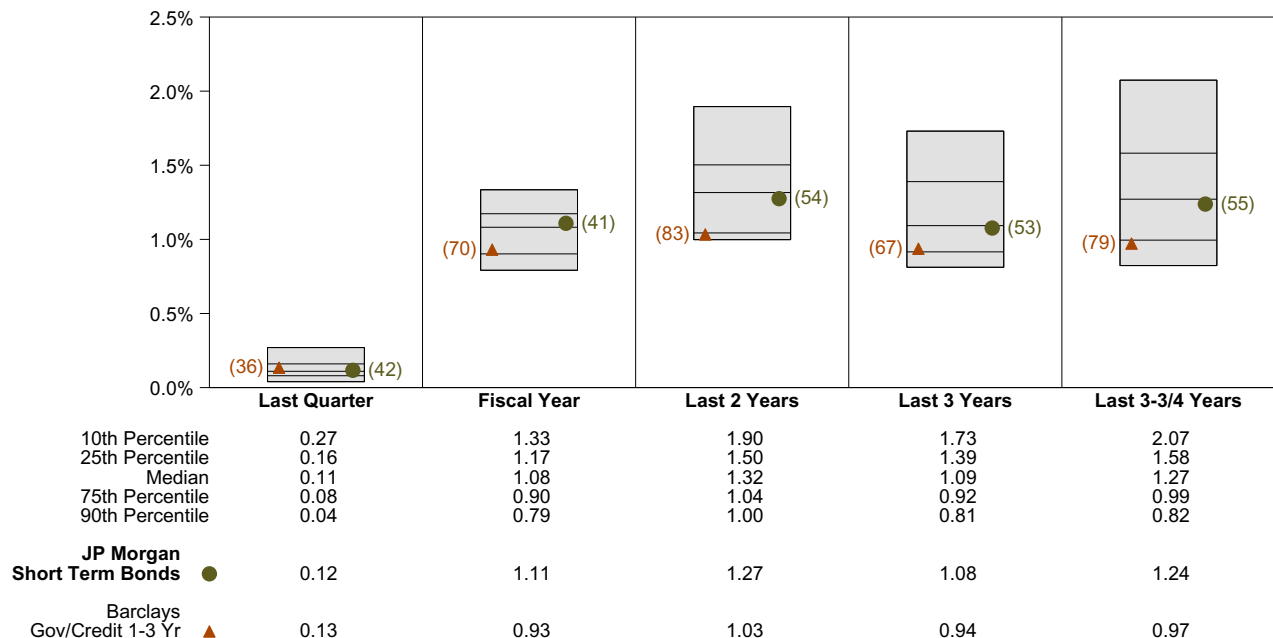
Quarterly Summary and Highlights

- JP Morgan Short Term Bonds's portfolio posted a 0.12% return for the quarter placing it in the 42 percentile of the CAI Defensive Fixed-Inc Style group for the quarter and in the 41 percentile for the last year.
- JP Morgan Short Term Bonds's portfolio underperformed the Barclays Gov/Credit 1-3 Yr by 0.02% for the quarter and outperformed the Barclays Gov/Credit 1-3 Yr for the year by 0.18%.

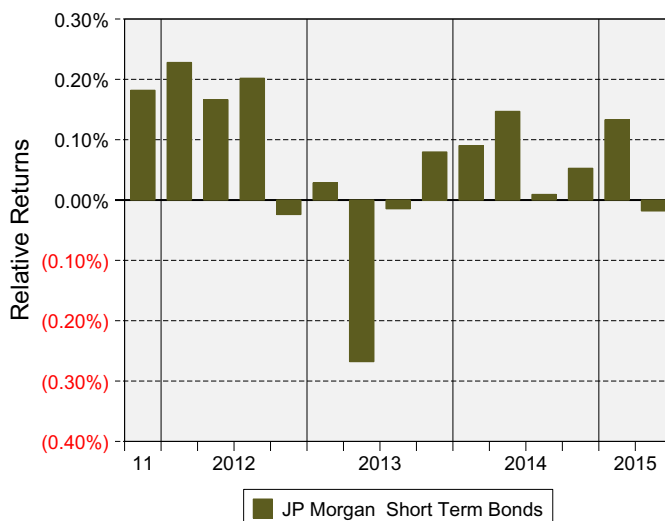
Quarterly Asset Growth

Beginning Market Value	\$241,509,497
Net New Investment	\$-6,000,000
Investment Gains/(Losses)	\$283,023
Ending Market Value	\$235,792,520

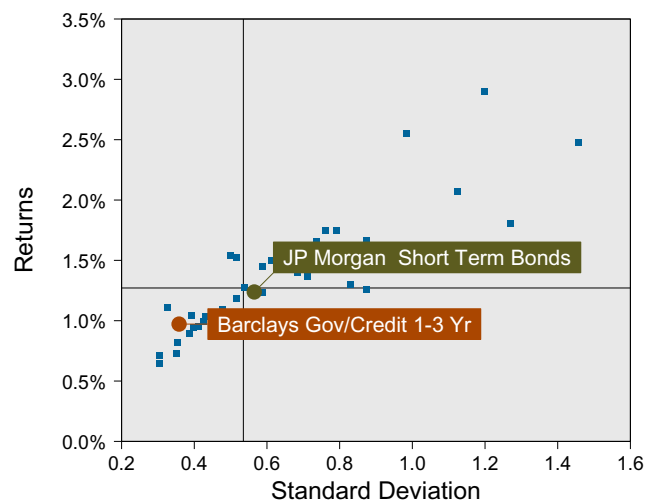
Performance vs CAI Defensive Fixed-Inc Style (Gross)



Relative Return vs Barclays Gov/Credit 1-3 Yr



CAI Defensive Fixed-Inc Style (Gross) Annualized Three and Three-Quarter Year Risk vs Return



Babson Short Term Bonds Period Ended June 30, 2015

Investment Philosophy

The investment objective of this account is to outperform the total return of the Barclays Capital 1-3 year US Government Index while minimizing fluctuations in capital value and providing sufficient liquidity to fund withdrawals.

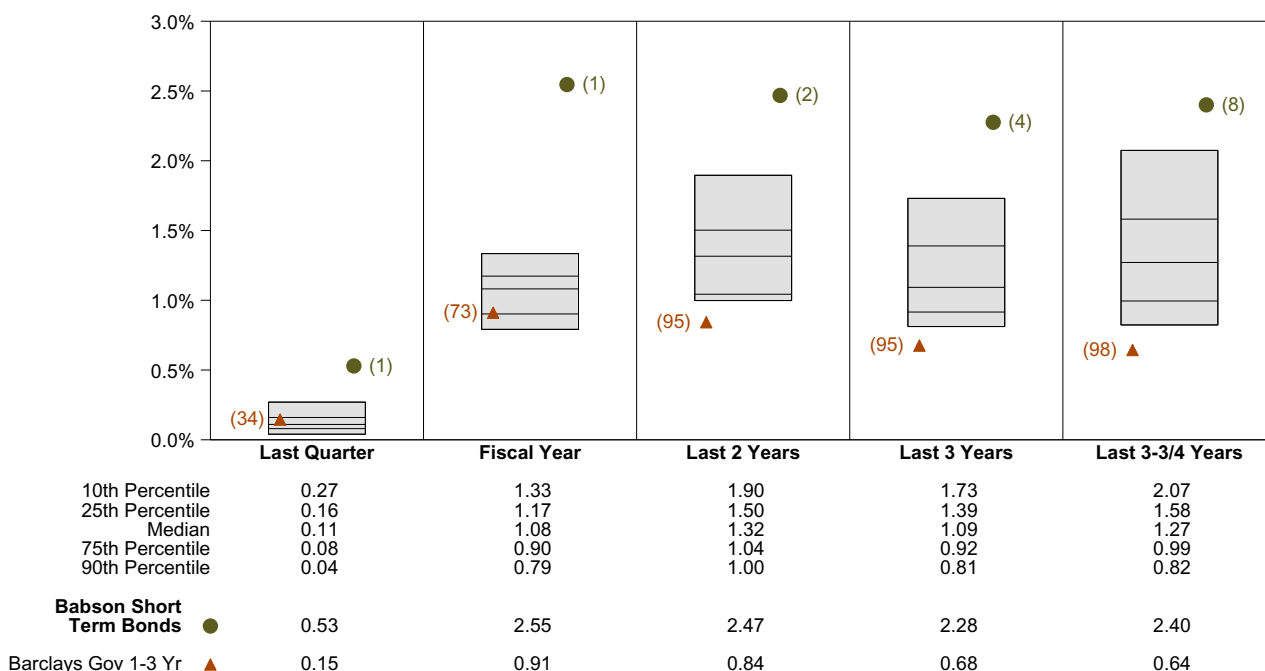
Quarterly Summary and Highlights

- Babson Short Term Bonds's portfolio posted a 0.53% return for the quarter placing it in the 1 percentile of the CAI Defensive Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- Babson Short Term Bonds's portfolio outperformed the Barclays Gov 1-3 Yr by 0.38% for the quarter and outperformed the Barclays Gov 1-3 Yr for the year by 1.63%.

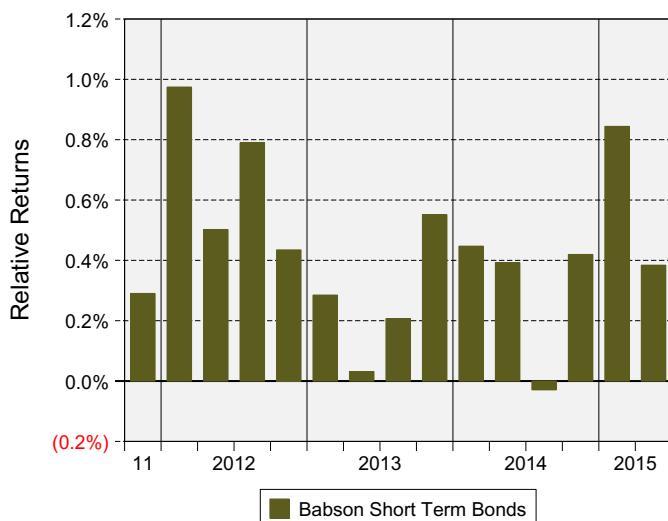
Quarterly Asset Growth

Beginning Market Value	\$244,936,633
Net New Investment	\$-6,962,286
Investment Gains/(Losses)	\$1,299,709
Ending Market Value	\$239,274,055

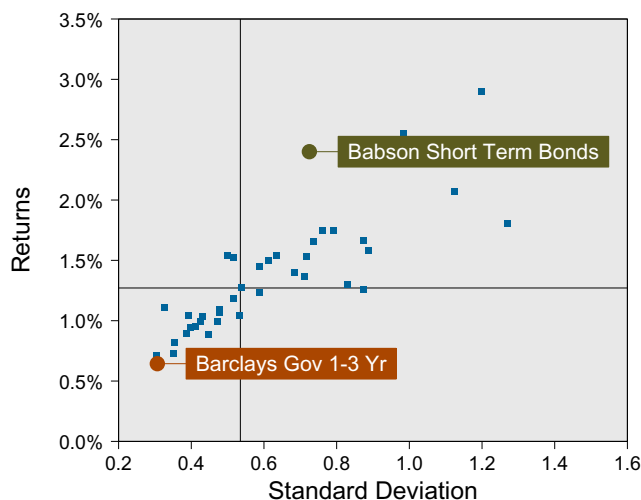
Performance vs CAI Defensive Fixed-Inc Style (Gross)



Relative Return vs Barclays Gov 1-3 Yr



CAI Defensive Fixed-Inc Style (Gross) Annualized Three and Three-Quarter Year Risk vs Return

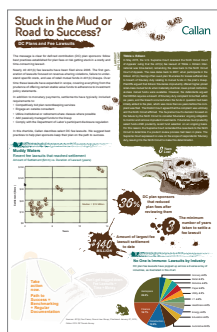


Research and Educational Programs

The Callan Investments Institute provides research that keeps clients updated on the latest industry trends while helping them learn through carefully structured educational programs.

Recent Research

Please visit www.callan.com/research to see all of our publications.



Stuck in the Mud or Road to Success? DC Plans and Fee Lawsuits This charticle describes select fee lawsuits and best practices to help plan sponsors stay on the path to success.

Active Share and Product Pairs Analysis In this paper, author Greg Allen isolates the impact of active share on performance by focusing on “product pairs.”

U.S. Equity Benchmark Review, Year-End 2014 This detailed report compares CRSP, Russell, and S&P indices alongside Callan Active Manager Style Groups.

Capital Market Review, 1st Quarter 2015 A newsletter providing insights on the economy and recent performance in the equity, fixed income, alternatives, and real estate markets.

Hedge Fund Monitor, 1st Quarter 2015 Cover story: Bridging the Gap: Multi-Asset Class Strategies.

Private Markets Trends, Spring 2015 A quarterly newsletter that discusses the market environment, recent events, performance, and other issues involving private equity.

DC Observer, 1st Quarter 2015 Cover story: Is Your Target Date Fund Suitable? Plus the Callan DC Index™.

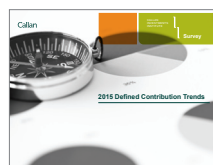
Market Pulse Flipbook, 1st Quarter 2015 A reference guide covering investment and fund sponsor trends in the U.S. economy, U.S. and non-U.S. equities and fixed income, and alternatives.

Inside Callan’s Database, 1st Quarter 2015 This report graphs performance and risk data from Callan’s proprietary database alongside relevant market indices.

Real Estate Indicators: Too Hot to Touch or Cool Enough to Handle? See seven indicators that have helped signal when the institutional real estate market is overheated or cooled.

The Game of Retirement—Helping Employees Win This charticle provides a high-level look at the three generations DC plan sponsors must target and how best to communicate with them.

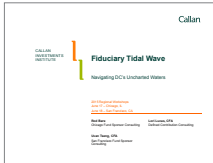
The Investment Vehicle Owner’s Manual This charticle highlights the key features of several popular investment vehicles. It also encourages investors to consider six important questions when making an investment vehicle selection.



2015 Defined Contribution Survey Callan’s annual survey of DC plan sponsors reveals trends in plan structure and management.

Events

Did you miss out on a Callan conference or workshop? Event summaries and speakers' presentations are available on our website: <https://www.callan.com/education/CII/>



The **June Regional Workshop's** topic was "Fiduciary Tidal Wave: Navigating DC's Uncharted Waters." Our speakers were Rod Bare, Chicago Fund Sponsor Consulting; Lori Lucas, CFA, Defined Contribution Consulting; and Uvan Tseng, CFA, San Francisco Fund Sponsor Consulting.

Our next event is the **October Regional Workshop**, to be held October 21 in New York and October 22 in Atlanta. Stay tuned for topic and speaker details! Also, save the date for our annual **National Conference** in San Francisco, January 25-27, 2016.

For more information about research or educational events, please contact Ray Combs: institute@callan.com or 415.974.5060

The Center for Investment Training Educational Sessions

The Center for Investment Training, better known as the "Callan College," provides a foundation of knowledge for industry professionals who are involved in the investment decision-making process. It was founded in 1994 to provide clients and non-clients alike with basic- to intermediate-level instruction. Our next session is:

Introduction to Investments

Chicago, October 27-28, 2015

This session familiarizes fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals who have less than two years of experience with asset-management oversight and/or support responsibilities. Tuition for the Introductory "Callan College" session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Customized Sessions

The "Callan College" is equipped to customize a curriculum to meet the training and educational needs of a specific organization. These tailored sessions range from basic to advanced and can take place anywhere—even at your office.

Learn more at <https://www.callan.com/education/college/> or contact Kathleen Cunnie: 415.274.3029 / cunnie@callan.com

Education: By the Numbers

500

Attendees (on average) of the Institute's annual National Conference

50+

Unique pieces of research the Institute generates each year

3,300

Total attendees of the "Callan College" since 1994

1980

Year the Callan Investments Institute was founded



"We think the best way to learn something is to teach it. Entrusting client education to our consultants and specialists ensures that they have a total command of their subject matter. This is one reason why education and research have been cornerstones of our firm for more than 40 years."

Ron Peyton, Chairman and CEO

List of Managers That Do Business with Callan Associates Inc.

Confidential – For Callan Client Use Only

Callan takes its fiduciary and disclosure responsibilities to clients very seriously. The list below is compiled and updated quarterly because we believe our fund sponsor clients should have a clear understanding of the investment management organizations that do business with our firm. As of 06/30/15, Callan provided educational, consulting, software, database, or reporting services to this list of managers through one or more of the following business units: Institutional Consulting Group, Independent Adviser Group and Fund Sponsor Consulting. Given the complex corporate and organizational ownership structures of investment management firms, parent and affiliate firm relationships are not listed here. The client list below may include names of parent companies who allow their affiliates to use some of the services included in their client contract (eg, educational services including published research and attendance at conferences and workshops). Affiliates will not be listed if they don't separately contract with Callan. Per strict policy these manager relationships do not affect the outcome or process by which any of Callan's services are conducted.

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Manager Name	Educational Services	Consulting Services
1607 Capital Partners, LLC		Y
Aberdeen Asset Management	Y	Y
Acadian Asset Management, Inc.	Y	
Advisory Research	Y	
Affiliated Managers Group		Y
AllianceBernstein	Y	
Allianz Global Investors U.S. LLC	Y	Y
Allianz Life Insurance Company of North America		Y
Altrinsic Global Advisors, LLC		Y
American Century Investment Management	Y	
Analytic Investors	Y	
Apollo Global Management	Y	
AQR Capital Management	Y	
Ares Management	Y	
Ariel Investments	Y	
Aristotle Capital Management	Y	
Aronson + Johnson + Ortiz	Y	
Artisan Holdings		Y
Atlanta Capital Management Co., L.L.C.	Y	Y
Aviva Investors	Y	
AXA Rosenberg Investment Management	Y	
Babson Capital Management LLC	Y	
Baillie Gifford International LLC	Y	Y
Baird Advisors	Y	Y
Bank of America		Y
Baring Asset Management	Y	
Baron Capital Management	Y	
BlackRock	Y	
BMO Asset Management	Y	
BNP Paribas Investment Partners	Y	
BNY Mellon Asset Management	Y	Y
Boston Company Asset Management, LLC (The)	Y	Y

List of Managers That Do Business with Callan Associates Inc. (continued)

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Manager Name	Educational Services	Consulting Services
Boston Partners	Y	Y
Brandes Investment Partners, L.P.	Y	Y
Brandywine Global Investment Management, LLC	Y	
Brown Brothers Harriman & Company	Y	
Cadence Capital Management	Y	
Capital Group	Y	
CastleArk Management, LLC		Y
Causeway Capital Management	Y	
Central Plains Advisors, Inc.		Y
Chartwell Investment Partners	Y	
ClearBridge Investments, LLC (fka ClearBridge Advisors)	Y	
Cohen & Steers	Y	Y
Columbia Management Investment Advisors, LLC	Y	Y
Columbus Circle Investors	Y	Y
Corbin Capital Partners	Y	
Cornerstone Investment Partners, LLC	Y	
Cramer Rosenthal McGlynn, LLC	Y	
Crawford Investment Council		Y
Credit Suisse Asset Management	Y	
Crestline Investors	Y	Y
Cutwater Asset Management	Y	
DB Advisors	Y	Y
DE Shaw Investment Management LLC	Y	
Delaware Investments	Y	Y
DePrince, Race & Zollo, Inc.	Y	Y
Deutsche Asset & Wealth Management	Y	Y
Diamond Hill Investments	Y	
Donald Smith & Co., Inc.	Y	
DSM Capital Partners		Y
Duff & Phelps Investment Mgmt.	Y	Y
Eagle Asset Management, Inc.		Y
EARNEST Partners, LLC	Y	
Eaton Vance Management	Y	Y
Epoch Investment Partners	Y	
Fayez Sarofim & Company		Y
Federated Investors		Y
Fir Tree Partners	Y	
First Eagle Investment Management	Y	
First Hawaiian Bank		Y
First State Investments	Y	
Fisher Investments	Y	
Franklin Templeton	Y	Y

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Manager Name	Educational Services	Consulting Services
Fred Alger Management Co., Inc.	Y	
Fuller & Thaler Asset Management	Y	
GAM (USA) Inc.	Y	
Garcia Hamilton & Associates	Y	
GE Asset Management	Y	Y
Geneva Capital Management	Y	
Goldman Sachs Asset Management	Y	Y
Grand-Jean Capital Management	Y	Y
GMO (fka Grantham, Mayo, Van Otterloo & Co., LLC)	Y	
Great Lakes Advisors, Inc.		Y
The Guardian Life Insurance Company of America		Y
Guggenheim Investments Asset Management (fka Security Global)	Y	
The Hampshire Companies	Y	
Harbor Capital		Y
Hartford Funds	Y	
Hartford Investment Management Co.	Y	Y
Heightman Capital Management Corporation		Y
Henderson Global Investors	Y	Y
Hotchkis & Wiley	Y	
HSBC Global Asset Management	Y	
Income Research & Management	Y	
Insight Investment Management		Y
Institutional Capital LLC	Y	
INTECH Investment Management	Y	
Invesco	Y	Y
Investec Asset Management	Y	
Jacobs Levy Equity Management		Y
Janus Capital Group (fka Janus Capital Management, LLC)	Y	Y
Jensen Investment Management		Y
J.M. Hartwell	Y	
J.P. Morgan Asset Management	Y	Y
KeyCorp		Y
Lazard Asset Management	Y	Y
Lee Munder Capital Group	Y	
Legal & General Investment Management America	Y	
Lincoln National Corporation		Y
Logan Circle Partners, L.P.	Y	
The London Company	Y	
Longview Partners	Y	
Loomis, Sayles & Company, L.P.	Y	Y
Lord Abbett & Company	Y	Y
Los Angeles Capital Management	Y	

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Manager Name	Educational Services	Consulting Services
LSV Asset Management	Y	
Lyrical Partners	Y	
MacKay Shields LLC	Y	Y
Mackenzie Investments		Y
Man Investments	Y	
Manulife Asset Management	Y	
Martin Currie	Y	
Marvin & Palmer Associates, Inc.	Y	
MFS Investment Management	Y	Y
MidFirst Bank		Y
Mondrian Investment Partners Limited	Y	Y
Montag & Caldwell, Inc.	Y	Y
Morgan Stanley Alternative Investment Partners	Y	
Morgan Stanley Investment Management	Y	Y
Mount Lucas Management LP	Y	
Mountain Lake Investment Management LLC		Y
MUFG Union Bank, N.A.		Y
Neuberger Berman, LLC (fka, Lehman Brothers)	Y	Y
Newton Capital Management	Y	
Northern Lights Capital Group		Y
Northern Trust Global Investment Services	Y	Y
Nuveen Investments Institutional Services Group LLC	Y	
Old Mutual Asset Management	Y	Y
OppenheimerFunds, Inc.	Y	
Pacific Investment Management Company	Y	
Palisade Capital Management LLC	Y	
Paradigm Asset Management	Y	
Parametric Portfolio Associates	Y	
Peregrine Capital Management, Inc.	Y	Y
Philadelphia International Advisors, LP	Y	
PineBridge Investments (formerly AIG)	Y	
Pinnacle Asset Management	Y	
Pioneer Investment Management, Inc.	Y	
PNC Capital Advisors (fka Allegiant Asset Mgmt)	Y	Y
Polen Capital Management	Y	
Principal Financial Group		Y
Principal Global Investors	Y	Y
Private Advisors	Y	
Prudential Fixed Income Management	Y	
Prudential Investment Management, Inc.	Y	Y
Putnam Investments, LLC	Y	Y
Pyramis Global Advisors	Y	

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Manager Name	Educational Services	Consulting Services
Rainier Investment Management	Y	
RBC Global Asset Management (U.S.) Inc.		Y
Research Affiliates		Y
Regions Financial Corporation		Y
RCM		Y
Rothschild Asset Management, Inc.	Y	Y
RS Investments	Y	
Russell Investment Management	Y	
Sankaty Advisors, LLC	Y	
Santander Global Facilities		Y
Schroder Investment Management North America Inc.	Y	Y
Scout Investments	Y	
SEI Investments		Y
SEIX Investment Advisors, Inc.	Y	
Select Equity Group	Y	
Smith Affiliated Capital Corporation	Y	
Smith Graham and Company		Y
Smith Group Asset Management		Y
Standard Life Investments	Y	
Standish (fka, Standish Mellon Asset Management)	Y	
State Street Global Advisors	Y	
Stone Harbor Investment Partners, L.P.	Y	Y
Systematic Financial Management	Y	
T. Rowe Price Associates, Inc.	Y	Y
Taplin, Canida & Habacht	Y	
Timberland Investment Resources	Y	
TCW Asset Management Company	Y	
Thompson, Siegel & Walmsley LLC	Y	
UBS	Y	Y
USAA Real Estate Company	Y	
Van Eck	Y	
Versus Capital Group		Y
Victory Capital Management Inc.	Y	
Vontobel Asset Management	Y	
Voya Investment Management	Y	Y
Vulcan Value Partners, LLC		Y
Waddell & Reed Asset Management Group	Y	Y
WCM Investment Management	Y	
WEDGE Capital Management		Y
Wellington Management Company, LLP	Y	
Wells Capital Management	Y	
Wells Fargo Private Bank		Y

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Western Asset Management Company	Y	
William Blair & Co., Inc.	Y	Y